

To: Cabinet

Date: 15 September 2021

Report of: Finance and Performance Panel (Panel of the Scrutiny Committee)

Title of Report: QL Housing Management Software System Implementation

Summary and recommendations	
Purpose of report:	To present Finance and Performance Panel recommendations concerning the Scrutiny-commissioned report on the QL system implementation
Key decision:	No
Scrutiny Lead Member:	Councillor James Fry, Chair of the Finance and Performance Panel
Cabinet Member:	Councillor Mike Rowley, Cabinet Member for Citizen Focused Services
Corporate Priority:	All
Policy Framework:	Council Strategy 2020 - 24
Recommendation: That Cabinet states whether it agrees or disagrees with the recommendations made in the body of this report.	

Appendices
None

Introduction and overview

1. At its meeting on 02 August 2021, the Finance and Performance Panel considered a Scrutiny-commissioned update report on the implementation of the QL system, a system to manage a broad range of Housing-related functions including the management of the Housing List, rent payments and repairs, as well as supporting the financial processes lying behind those activities.
2. The Panel would like to thank Paul Leo, Interim Executive Director of Housing, for authoring and presenting the report, and to Nigel Kennedy, Head of Financial Services, Anna Winship, Management Accountancy Manager, and Phil

McGaskill, Revenues Manager, for attending the meeting and answering questions.

Summary

3. The Panel was introduced to the Scrutiny-commissioned report by Paul Leo, Interim Executive Director of Housing. This item was taken in confidential session so only a brief outline is presented here. A full account is available in the confidential minutes of the meeting. The main issues discussed concerned what had caused the problems in the first place, the scale of the disruption caused, and the remedial actions being taken.
4. The Panel makes two recommendations. These recommendations focus on understanding the full cost that the challenges relating to the implementation of the QL system, particularly the exemplary efforts by many staff, and finding ways to recognise and compensate their commitment to mitigating the negative impacts arising from the QL implementation to date.

Accounting for the full cost

5. Owing to the unanticipated difficulties of the QL system's implementation the Council has incurred additional costs to mitigate the consequences of those difficulties. Further costs have and will arise in fixing the causes of these problems. The Panel was informed of the Council's intention to bring in an external organisation to audit the implementation exercise and to quantify the costs arising from its problems. The Panel wishes to express its support for this intention. However, although when it asked for an estimate of the additional costs accruing from the difficulties of the implementation the Panel was provided with one, the scope of that cost was narrow: primarily the cost of bringing in extra staff to backfill roles directed to QL or increasing the hours of part time staff, and the payment of overtime. In discussion of the effect on the authority it is clear that this narrow definition does not come close to reflecting the true cost to the Council.
6. Given the breadth of its functions, the challenges of the implementation have affected many areas of the Council, with many staff at different levels involved in mitigating the negative impact. Most senior staff are not entitled to overtime payments, and yet it was reported that many directly involved have worked evenings and weekends over a sustained duration. These efforts are not measured in a narrow definition of financial cost. Likewise, the definition does not cover those who are not doing additional hours but have had the mitigation efforts prioritised over other areas of work. It was reported, for example, that senior finance staff have had to process payments to suppliers. The cost to the Council of doing this manifests itself in the opportunity cost, resources dedicated to one area mean they cannot be used in another. With staff at senior levels drawn into dealing with the extra work, and high numbers of more junior staff involved in checking the flow of data, this opportunity cost to the Council is significant.
7. The Panel's concern is that if, when its audit is undertaken by an external organisation, only the direct costs are tallied the true costs to the Council will be

significantly underestimated, and the immense collective effort of staff made to recover the situation effectively taken for granted. If the costs are under-counted through narrow definitions this could affect decision on the steps needed to avoid a repeat of the situation, which raises the risk of it happening again. The Panel therefore recommends that the lessons learnt exercise be undertaken on the basis of a broad understanding of the costs, including the indirect costs, associated with the implementation of the QL system.

Recommendation 1: That the Council, in a future exercise to learn lessons from this experience, includes within its audit an estimate of the indirect costs arising from the implementation of the QL system

8. Although it is touched on above, the Panel's view is that the Council is fortunate that many staff (including also at ODS) have gone above and beyond what is required of them to help in the recovery effort. Without these efforts the problems would have been far greater. The Council is indebted to these individuals, particularly as it was reported to the Panel that many had experienced significant stress on the back of their efforts. The Panel is very keen that this is recognised, which it is sure that the Cabinet is also keen to do.
9. One particular issue concerning the Panel is that staff making extraordinary efforts should not be penalised by internal policies which are not designed with such scenarios in mind. The Panel is not aware that the following are real problems, but they are possibilities.
10. Staff are expected not to carry over flex time and TOIL of more than 10 hours from month to month or forfeit it. It is very possible that some staff will have accrued significant TOIL and not been able to take it. The annual leave year also resets in October with a permitted carry-over of 5 days for each year, with any beyond that forfeited unless Heads of Service waive that cap. It is possible that some staff will have deferred (or possibly even cancelled) holiday during the summer holidays, a late point in the leave year, and may not easily be able to take that time before the end of September. In both cases those staff who have shown commitment above and beyond what it reasonably required could potentially be penalised for doing so. The Panel is keen that the Council works with union representatives to explore these and any similar issues and to find suitable ways to ensure that the commitment of staff is not unintentionally penalised by current policies or that suitable compensation is agreed.

Recommendation 2: That the Council recognises the exemplary commitment of staff across multiple functions in managing and mitigating the challenges posed by the QL implementation and works with union representatives to find ways to ensure that these officers are not penalised for their commitment.

Further consideration

11. The Scrutiny function is likely to defer further specific monitoring of this to the Audit and Governance Committee but expects that it will receive regular updates through its consideration of the Integrated Performance Reports.

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Cabinet response to recommendations of the Finance and Performance Panel made on 02/08/2021 concerning the Scrutiny-commissioned report on the QL Implementation

Provided by Cabinet Member for Citizen Focused Services, Councillor Mike Rowley

<i>Recommendation</i>	<i>Agree?</i>	<i>Comment</i>
1) That the Council in a future lessons learnt exercise, includes within its audit an estimate of the cost the indirect costs arising from the implementation of the QL system		
2) That the Council recognises the exemplary commitment of staff across multiple functions in managing and mitigating the challenges posed by the implementation and works with union representatives to find ways to ensure that those staff are not penalised for their commitment.		

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Date of Cabinet meeting:

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