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OXFORD CITY COUNCIL

To:	**Cabinet**
Date:	**14 June 2023**
Report of:	**Executive Director (Communities and People)** **Head of Financial Services**
Title of Report:	**Housing Management System Implementation**

Summary and recommendations	
Purpose of report:	To update members on the lessons learned from the implementation of the Housing Management System and the outcome of discussions with the supplier as to potential settlement; and to secure additional budget approval for further development of the product after the move to 'business as usual which has now been secured.
Key decision:	No
Cabinet Member:	Councillor Nigel Chapman, Cabinet Member for Citizen Focused Services and Council Companies
Policy Framework:	Council Strategy 2020-24 and Budget

Recommendations: That Cabinet resolves to:
1. **Note** the lessons learned from the system implementation;
2. **Approve** the proposed settlement terms offered by the supplier as referenced in Appendix 4 (exempt) and **delegate authority** to the Executive Director (Communities and People) in consultation with the Head of Financial Services and the Head of Law and Governance to finalise the terms;
3. **Recommend to Council** the approval of additional budget of £263k in 2022-23 as detailed in paragraph 8 below; and
4. **Recommend to Council** the inclusion of an additional budgetary amount of £497k of capital and £97k of revenue over the next 4 year period for the further development of the system (paragraphs 9-11).

Appendices	
Appendix 1 (Exempt)	External 'lessons learned' report
Appendix 2	Summary of lessons learned
Appendix 3	Budgetary provision of exploitation of the system and ongoing revenue
Appendix 4 (Exempt)	Discussions with the supplier
Appendix 5	Risk Register

Introduction

1. On the 18th January 2023 the Audit and Governance Committee was presented with a report on the issues arising during the implementation of the Housing Management System. Much of what was reported to Audit and Governance Committee was held in confidential session. The external consultant's report on lessons learned presented to Audit and Governance Committee has been replicated in the Confidential Appendix 1 for ease of reference.

Background

2. Members will be aware of the issues arising from the implementation of the Housing Management System, a system which was originally scheduled to go live on May 2018 but had a delayed go live date of May 2021. Once go live was initiated the system suffered from data migration problems which resulted in significant business disruption and a delay in reaching a 'steady state' and 'business as usual' until November 2022. Oxford Direct Services Ltd have only recently submitted their Statement of Accounts for the year end 31-3-2021 to the external auditors, which has a consequential impact on the production of the Council's Group accounts for the same year.

3. The confidential report and accompanying exempt appendices is attached although the 'lessons learned' from the implementation have been summarised in Appendix 2. The Organisational Change Board chaired by the Executive Director of Resources has re-enforced the need for project managers to have regard to these lessons learned when embarking on a project.

4. Key elements of the lessons learned include:
   a. Taking the right procurement decision
   b. Project Team and Board structure that included the appropriate officers including specialists with knowledge of the product in question and supplier representatives
   c. A programme Board such as Organisational Change Board with oversight of key projects

> d. Appropriate documented testing plans for key stages of the project i.e. data migration.

5. Since steady state was reached, officers have begun in earnest to develop the system in conjunction with the supplier and there have been a number of achievements since to illustrate this, including:

- The automation of the sales order review process – the process by which ODS are paid for work done
- ODS First Touch Forms (Mobile Working) for ODS & reimplementation – 160+ forms in use
- ODS Versaa Migration and further form development (Versaa is the replacement platform for First Touch) – Aug 22
- Upgrade to 4.11.4 Successful - four full version upgrades in one.
- Super User Group (SUG) in place and meeting monthly with a monthly briefing bulletin
- SQL training in place for Super Users
- OCC Versaa platform migration successful
- Versaa Form Design training in place for relevant users
- The Customer Portal - rent and repairs imminent
- Future software updates – subject to the funding contained within this report including:

Product	Implementation
Versaa Forms : **Tenancy Sign-up** – Mobile solution to aid tenancy management with completing new tenancy sign ups, electronic tenancy agreements, direct debit set up etc.	2023 -24
Versaa Forms : Tenancy Management – Covers rents , ASB, repairs and tenancy management information available to staff on site with customers in their homes	2023 -24
Versaa Forms: Estate Inspections – A mobile solution aimed at capturing real time estate inspection data and updating QL in real time. Includes reporting facilities for graffiti, fly tipping etc.	2023 -24
Versaa Forms : Asset Management & Stock Condition – A solution that provides surveyors with real time information on assets, information on planned works and the ability to update stock condition details	2023 -24
Managing 3 C's – roll out the ODS established process for complaints, compliments across rest of landlord services	2023 -24
DRS Upgrade – repairs operative scheduling tool which is due to be upgraded	2023 -24
Data Loader for New Properties- A technical tool which seeks to gather and loan new build properties into QL	2023 -24

Data Loader for Property Components – A technical tool aimed at gathering and loading new and updating components as they are replaced	2023 -24
ASBIT & CRT Review – Existing ASBIT and CRT process needs modification to ensure all stages for a case are captured correctly	2023 -24
Info@Work for ASBIT & CRT- Aimed at capturing all case documentation	2023 -24
Versaa Portal App – enables an app to be installed on tenants own device	2023 -24
Online Application Form- allows housing applicants to submit an online application to be added to waiting list	2023-24
Implement Intelligent Energy – to replace existing system Crohm	2023-24
Versaa Customer Portal : Online Application	2023-24
Predictive Arrears Monitoring – Looking to improve monitoring of arrears cases	2023-24
Integration between Housing Management System & Info@Work- aimed at capturing all case documentation, its currently captured on a network shared drive	2023-24
Choice Based lettings – A portal to enable tenants to bid for council housing on line.	2023-24
CBL Portal – Enables OCC applicants to bid for available/advertised properties via a bespoke browser applicant portal	2023-24
Enhance Housing Options – seeks to triage and sign post potential applicants to other resources particularly where they ae unlikely to be placed on a waiting list	2024-25
Private Rented Sector Process Redesign – Process review to simply process	2024-25
Text Messaging from Housing Management System- enable text messages to be sent to QL tenants	2024-25
Contractor Portal- enables contractors to update progress on property works	2024-25
RTB Process Review –To automate the process	2024-25
NEC Info@Work Review Renewal/Replacement – should info @work be replaced integration with QL will need to be revisited	2024-25

All this work done to date and planned will bring significant benefits to the Council from:

- the integration of data held in a number of services such as Housing Applications. Property, Anti-Social Behaviour and Community Response Teams and ODS
- the real time updating of such data

- streamlined and efficient processes for both internal users of the system and our tenants
- easier interfacing between the Council ODS, external suppliers and our tenants

Discussions with the supplier

6.   Discussions have been ongoing with the supplier in relation to their part played in the implementation. The outcome of these discussions is shown in the confidential Appendix 4.

Additional Budget

7.   In February 2016 Council approved a project budget of £600k. Following soft market testing in June 2017 this budget was increased to £1.7 million and subsequently to £2.3 million in February 2021. The problems encountered since Go Live in May 2021 and bringing the system to 'steady state', in addition to subsequent system upgrades, led to a request for further budget requirement agreed under Chief Executive urgent powers of £375k in May 2022, in addition to a virement from underspends in HRA capital of £250k.

8.   Spend up to 31-3-2023 amounts to £3.188 million, requiring a request for additional budget of £263k. Approvals for this additional spend was provided by the Project Board but this requires formal approval by Cabinet and Council. Additional resources referred to in Appendix 4 will go some way to mitigate these additional costs.

9.   In February 2023 Council gave budgetary approval for £528k of capital and £448k of revenue over the next 4 year period (£112k of ongoing revenue) commencing 1-4-2023, to continue the exploitation of the product. This spend approved, provided for some of the additional products included in paragraph 5 above. An additional amount will be required to implement other discounted products referred to in Appendix 4. The table below shows the amount of budget that will be required over the next 4 years which is above the amount agreed in February 2023 and enables the discount on products provided by supplier to be secured of £60k, over the 4 year period.

10.   Appendix 3 gives a breakdown of all the work areas together with associated capital and revenue cost. In summary this indicates:

APPENDIX 3
Resource Required for QL Exploitation 2023-24 to 2026-27

	Capital				Revenue			
	2023-24	2024-25	2025-26	2026-27	2023-24	2024-25	2025-26	2026-27
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Budget Requirement	605.1	331.9	98.4	-	105.2	159.2	135.2	145.7
Budget Available								
Transformation	39.0							
ICT	80.0							
Capital programme HRA	245.0	58.0	58.0	58.0	112	112.0	112.0	112.0
Total budget available	364.0	58.0	58.0	58.0	112.0	112.0	112.0	112.0
Additional Budget Ask	241.1	273.9	40.4	- 58.0	- 6.8	47.2	23.2	33.7

11.	The above table indicates that a further £497k of capital expenditure will be required over the next 4 years in addition to £97k of revenue. Savings of £147k from the retirement of legacy systems were made in the original business case and have already been removed from the revenue budget.

Financial Implications

12.	The issues surrounding the implementation of Housing Management System have been well documented as has the 3 year overrun in time and the estimated extra £1.5 million costs incurred above the original budget of £1.6 million to bring the product a steady state position in November 2022.

13.	Changing systems of this scale are a significant undertaking. In approving the potential settlement package being offered by the supplier the council is at least recouping some of its additional costs but is also moving to establish a longer term relationship with the supplier which should bring longer term savings.

Legal Implications

14.	Legal services are reviewing the draft compensation settlement agreement and will ensure the robustness of wording prior to formal sign off. If settlement cannot be agreed this may escalate to legal claim in a court of law but every effort is being made to avoid this.

15.	It should be noted that the discounts on products under the settlement agreement are claimable over a 3 year period, although the terms of the current contract only have provision for the contract to run for another 2 years. Normal procurement terms would allow some extension of the contract past this contract date to enable the council to benefit from the full discount on these products should it wish to do so. An extension of the contract is probable given the time and money spent to date on the product.

Risk Implications

16.	The paper outlines multiple issues that arose through the implementation of the Housing Management System. The lessons learned once embedded into the organisation should serve to mitigate potential risks in future project implementations.

Equality Impact Implications

17.	Not applicable given the nature of this report.

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Background Papers: None

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