Tenant Services' Computer and Business Processes Options Appraisal Summary

1. Executive Summary

1.1. This report is a summary of the results of a Tenant Services (TS) systems review, and recommendations for improvement.

1.2. It is believed that TS's ICT provision does not meet current business requirements. Investment is required to provide TS with the tools to make critical service improvements, mitigate for risks to its income stream due to statutory changes, and design out costly inefficiencies in working practices.

1.3. Procuring a replacement for the main housing system is likely to be the most cost effective option and the one most able to meet business requirements. There is evidence that re-procuring a system will provide better value-for-money. Negotiations with Northgate continue and it is likely they will reduce their figures for additional items. High annual support and maintenance costs make some systems unsustainable, and this needs to be considered along with upfront costs of purchasing a new system. Procurement will also give us an opportunity to seek value-for-money from our contract as regards these on-going costs.

1.4. Depending on the decision of Corporate Team, procurement should start in Winter 2015. Prior to this, TS' lean service reviews are taking place to inform system specification, eliminate inefficiencies and improve working practices.

1.5. An initiative of this scale must be adequately resourced and managed. A portion of the budget has been set aside for extra resources in TS' Systems Team and SDC's IT Service. In addition, the success of this project hinges on the continued support and involvement of stakeholders both within TS and across SDC. The IT Project Board continue to inform all decisions and recommendations of the project.

Tenant Services IT Project Options Appraisal - Summary

2. Introduction

2.1.1. One of Tenant Services' Strategic Delivery Plan Objectives is: *"IT Systems are fit for purpose, enabling efficient, effective, customer-focused service delivery."*[1] Investigations over the last year have identified a lack of fit between IT in Tenant Services (TS) and business requirements. This needs to be addressed to protect the Council's income stream and enhance customer service. This is a chance to invest-to-save, reducing inefficiencies in working practices, mitigating for the risk of income loss and reducing the risk of increasing operating costs.

2.1.2. Over the last four months officers have
  2.1.2.1. consulted with stakeholders across SDC,
  2.1.2.2. undertaken soft market test
  2.1.2.3. carried out a gap analysis
  2.1.2.4. engaged with the current suppliers

2.2. The need for IT investment in TS

2.2.1. IT investment is critical if we are to provide TS with the tools necessary to fulfil its responsibilities as a social landlord. This includes responding to increasing tenant expectations, as well as changes to statutory requirements.

2.2.2. Universal Credit puts £6.6million of income at risk (a loss of even 1% of rental income is equivalent to £300,000, enough to pay for most if not all the purchase costs of a new system).

2.2.3. SDC does not have the IT tools necessary to address these risks currently.

2.2.4. We also are in the process of setting up an in-house heating provider (IHP)

2.2.5. SDC's ICT strategy sets out the need to provide up-to date technology to enable more effective and flexible ways of working that drive a "more for less" approach.

2.2.6. It is considered that TS' IT does not meet these objectives.

2.2.7. However, ICT improvements is only part of the solution.

2.3. Managing a change in culture

2.3.1. If the Council is to reap the benefits of any IT initiatives, it is essential they go hand in hand with culture change and improvement to working practices. A programme of service reviews and lean process mapping across TS has begun, to inform new system specification, design out any waste in processes and ensure best use of existing IT in advance of any future implementation. In addition, sufficient systems training and induction of staff is a key objective of this project.

2.3.2. The current leadership changes in TS have been raised as a risk. The IT Project Board has been set up to manage this risk and provide the strategic continuity required for the project, even if individual members vary. There is an understanding among senior stakeholders on the Board that this project needs to be prioritized and adequately resourced, both within TS and across partnering service areas in SDC. The focus of this project is IT provision. However it affords an opportunity to forge closer links with SDC as a whole to create a more efficient approach to service provision, whilst also looking at TS' strategic objectives and working practices to ensure customer satisfaction, value-for-money and quality services are at the heart of everything we do.

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[1] Strategic Delivery Plan 2014-16 Objective – Holistic Review of Systems (TNSX19)

3. Recommendations

3.1. Recommended option

3.1.1. The recommended option is to re-procure the core housing system as it will allow new suppliers to bid whilst allowing the current suppliers to review their offer.

3.1.2. The other options which have been explored are:

3.1.2.1. No investment in IT

3.1.2.2. Minimal investment in current systems

3.1.2.3. Significant investment in current systems

3.1.2.4. Procuring one system to replace both the housing system and the asset management system.

3.1.3. The evidence suggests that the recommended option will provide the best combination of value-for-money and enabling TS to meet its business requirements.

3.2. Next Steps

3.2.1. The IT improvement project should be prioritized within SDC given its importance in ensuring quality services and providing the tools needed to protect the income stream generated by the HRA. A request has been made for this Business Case to go to Housing Committee in June. The relationship with the current suppliers should continue to be nurtured, giving them sufficient opportunity to retain TS as a customer[2]. Shared services and partnering arrangements with peers should continue to be sought and investigated within the timescales and parameters of this project.

3.2.2. Service reviews are underway for key processes and working protocols. These need to be completed in time to inform system specification and the tender documents. Programme will also ensure procurement is informed by SDC's in-house expertise as well as those previously involved in procuring the existing systems, to build on the learning of the past and avoid repeating previous challenges, including a review of the previous tender documents.

3.2.3. Cost neutral improvements and quick wins should continue to be made with current systems where resource is available. This will ensure essential system improvements are made in advance of going live with a replacement. TS staff should be managed to use existing IT fully and to be self-sufficient rather than relying on central administration team. This will enable productivity savings, freeing up staff time to assist in implementation.

3.2.3.1. The Systems Team should be released from menial administration tasks and enabled to focus on IT implementation and improvements.

3.2.3.2. Housing staff should be trained and managed to be administratively self-servicing.

3.2.3.3. Resources from across TS should be freed up for system implementation, through streamlining and efficiency savings achieved by current service reviews and document management project.

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[2] This would entail significant reductions in annual support and maintenance costs as well as the costs of improvements. However it would also require far reaching changes to the way their system is configured in TS which needs to be taken into account as it will require substantial resourcing.

3.2.3.4. Super-users should be introduced to champion and take forward this and future IT initiatives.

3.2.3.5. A closer relationship needs to be nurtured between TS and the SDC IT service so that TS benefits from the full range of expertise available in-house.

4. Project Findings

4.1. Context & Methodology

4.1.1. A £555,000 budget is allocated from the Medium Term Financial Plan to review and upgrade Tenant Services' IT systems to meet business requirements. This options appraisal identifies the optimal means of meeting this objective. TS currently runs two main systems: the housing and repairs system in operation since 2002; and the asset management system since 2006. Officers have been concerned for a number of years with the poor fit between the core systems and business needs, echoed in Systems Thinking reviews.

4.1.2. A provisional business case was submitted to Corporate Team in Summer 2014, detailing significant savings through procurement of one integrated system for all of TS. Further investigation was recommended. In October 2014 a business analyst was commissioned to research and advise on the best way forward. Research included extensive consultations, workshops and shadowing across TS and its stakeholders across the Council over four months. Project Board meet regularly to ensure stakeholders are continuously consulted and involved.

4.2. IT Management & Resourcing in TS

4.2.1. Implementation of the core systems were inadequately resourced and was rarely completed, with many modules purchased but not fully utilised, and therefore the system is not being used to its full potential. It is felt that in the past there was not enough direction from the business as to how IT should be configured and used, as well as frequently shifting agendas delaying or aborting implementation exercises.

4.2.2. SDC's IT Development team met regularly in the past with TS to discuss opportunities to support business needs through bespoke IT development. However clear direction was not provided; thus TS has not benefited from the IT expertise available in-house. The service review and process mapping initiated through this project will help to remedy this.

4.3. Summary of gaps and inefficiencies

4.3.1. The biggest areas of concern are:

- Inadequate business analytics and reporting tools make it a challenge to measure waste and potential efficiency savings. However it is estimated at least 25% of staff time is taken up with administering antiquated systems, collecting information from multiple sources and manual processing. Time is also wasted in travelling back to the office to access information and data entry due to a lack of mobile working facilities and electronic forms.
- Inadequate electronic management provision perpetuates an over-reliance on a central administration team. For example, there is the equivalent of one full time member of staff constantly scanning. Since April 2014, 43,000 sheets have been

scanned. Up to 90% could be eliminated by appropriate electronic document management.

- Poor interfacing between systems results in a lack of integration between service areas, which has potentially far reaching financial implications. For example, the Repairs Service does not have ready access to information on planned programmes and warranties which results in unnecessary responsive repairs.

4.3.2. Other examples of system failure include:

- The lack of adequate data and reporting tools makes it difficult to manage the service across the board and the financial implications of this are far reaching.
- We are losing an unknown but significant amount of income on unrecovered debts and insufficient income management tools are a critical risk to the HRA's rental income stream. Universal Credit will require much more frequent Direct Debit processing which requires automation of the process.
- Customer insight and customer relationship management tools are limited and TS is not prepared for potential increases in customer expectations due to changes in the customer profile (for example through increased private and shared owners).
- There is a limited audit trail or record of customer contact, of what we have done to try to resolve complaints and problems. This makes complaints harder to manage and puts us at risk. For example, we have a number of tenants who are elderly and have refused heating. They are currently living in homes that do not meet the Decent Homes standard. Although we may have made a number of attempts to provide them with adequate heating this is not recorded centrally and therefore if we were ever challenged (for example in the case of the death of a tenant) we might not have the evidence to show we fulfilled our duty of care
- Inadequate electronic document management facilities, causing excessive amounts of paper printed and scanned and the need to store a growing number of paper files that could be archived electronically (storage includes a paid-for facility in Woodchester), there is also a broken microfiche machine taking up most of one of the meeting rooms and containing important legal documents such as leases which are at-risk.
- We currently hold inadequate information on damp in our properties, as it is not collected consistently or shared between Responsive Repairs and Asset Management. A project to address this has begun, but the lack of integration between our IT systems means that we will be unable to either accurately interrogate the information or keep it up-to-date

4.4. Key business requirements

4.4.1. Draft system specification addressing business requirements to include:

- single point data entry
- streamlined and automated processes (workflow)
- integrated information sharing across all service areas
- customers placed at the heart of all processes and activities
- intelligent and user-friendly reporting and administration tools
- enhanced document management
- effective mobile working that meets local government security requirements.