Establishing a Housing Systems and Revenue Team, (Maggie Ward, Head of Housing & Business Planning)

Synopsis of report:

After many years with limited investment in its IT systems the Housing Business Unit has over the past two years implemented additional modules: Asset Management System, Planned Maintenance, Support Services, Risk, NEC Mobile, Energy Assessor, Account Analytics.

Phase 2 of the IT upgrade which includes moving the Allocations, Housing Advice and Homelessness functions onto the NEC system providing integrated workflows and a single view of service users is currently in progress.

Phase 3 will be the implementation of NEC Customer Services and a new Anti-Social Behaviour module. The Housing Service Plan approved by the Committee in 2023 included an annual IT development budget of £50,000

The staffing resources currently within the Housing Business Unit for NEC system support, rent accounting, leaseholder management, service charge, homelessness, housing allocations and invoice paying are not adequate to support the current business needs and ongoing system maintenance and development. There are a number of single points of failure that present a high risk to the business. This report proposes centralising these functions under a dedicated manager and creating additional posts to ensure that all the modules of the NEC Housing system are adequately supported and the financial functions of the department are appropriately managed.

Recommendation(s):

Members approve:

i. The business case for:
  a. The purchase and implementation of the Anti-Social Behaviour and Customer Service Modules (as contained within the Housing Service Plan for 2023/4 and Capital Programme) to be funded from HRA Revenue Reserves
  b. The establishment of a centralised Business System and Revenue function as contained within the Housing Service Plan for 2023/4
ii. The release of:
  a. £50,000 provision set aside in the Capital Programme and Business Plan for this purpose.
  b. £135,000 provision set aside in the HRA Revenue Budget and Business Plan for this purpose.

1.   Background

1.1   The Housing Business Unit is undergoing a digital transformation with significant investment in the NEC system introducing new modules which need system support. Income channels and expenditure are increasing and this needs to be resourced.

1.2   It is proposed that a number of existing posts with system and finance duties are amalgamated into a central section with the addition of some new posts, job descriptions and grades subject evaluation by Human Resources.

2.   Report

2.1   The Housing Service operational activity falls into five distinct areas: -

1. Housing Advice
2. Housing Allocations
3. Tenancy and Leaseholder management
4. Income Collection
5. Technical Services which has three defined areas:
   a. Compliance
   b. Planned work
   c. Reactive/repair works

2.2   All these areas have their own modules and there are officers in place with system configuration knowledge of the rents, estates and technical services modules however housing advice, homelessness and housing allocations will not have this technical support from existing resources.

2.3   With the establishment of a centralised team and cross training between members there will be additional resources to deliver essential improvement activity, revenue collection, resilience and succession planning. Currently there are numerous single points of failure in terms of functionality and knowledge.

2.4   Maintaining the security of the system is a significant function and although this is managed by Digital Services in terms of external access, all users need to be given the correct access for their role and this must be updated constantly and within short timescales as staff change roles and enter / leave employment. There is a substantial number of users across Housing and Customer Services to be maintained and trained.

2.5   Members have approved over £250,000 of expenditure over 5 years to upgrade the Housing IT system to reflect current operational and regulatory needs. At the end of 2022/23 the following modules will be fully or partially implemented.

Account Analytics	Implemented
Allocations (housing and garages)	In progress
Assets	Implemented
Choice Based Lettings	In progress
Communications Suite	In progress
Contractor Portal	Implemented
Energy Assessor	Implemented
Estates	Implemented
Information @Work	Implemented

Leaseholders	In progress
Mobile Assets	In progress
Mobile Risk Management	In progress
My Portal	In progress
Planned Maintenance	Implemented
Rents	Implemented
Repairs	Implemented
Risk Management	Implemented
Service Charges	In progress
Support Services	Implemented (some staff still training)

2.6 The Communications Suite is a new core functionality which is a system for creating and recording all types of communication with residents including emailing and texting directly from the system. All the communication types and templates for hundreds of standard letters must be set up, maintained, and created on a continuing basis. The Council is utilising the NEC Document Management (DMS) system, Information@Work (I@W) the management of documentation for the whole department needs to be a central function ensuring that all items are correctly referenced and a retention procedure compliant with GDPR is in place.

2.7 Throughout the day the system is running automated processes and individual jobs run by officers. Jobs need to be scheduled in advance and to be run at the correct sequence and time for the business but staged to ensure that the system is not overloaded. This is a complex system, an external IT failure can result in batch failures which need to be identified and rerun immediately as many processes are sequential, for instance the balancing of rent accounts at the end of the week, raising the new weekly debit, loading of the housing benefit file, recalculation of direct debits for accounts with HB changes and automated issuing of arrears letters. If one of these processes fails to run it can have financial or reputational implications if not identified. There is scheduled monitoring of all the major processes and whilst there are reports in place there is a human element in checking the output is correct. As the system usage increases, this risk must be mitigated with sufficient staff to make these checks.

2.8 There is a large amount of data held on our system about applicants, tenants, leaseholders, and household members. System security, accuracy, and ensuing compliance with GDPR regulations is a significant undertaking and needs to be resourced. Managing a business of this size with adequate management data and checks requires a constant updating of the information collected and presented to managers. This is done using a reporting tool called Business Objects (BO) which was designed to work with NEC Housing. Although there are improved reporting capabilities in the NEC road map there are reports running throughout the day giving real-time updates to some sections, checking anomalies within the system and reporting on performance. These reports are written internally and updated as required.

2.9 The Rent Accounting functionality and Estates module are currently managed by one officer on MMA with an assistant on Grade 7. This officer is also involved in the implementation of the new modules including building the Housing on-line offering. A significant amount of income is collected by direct debit (DD) to reflect the varied circumstances of our tenants. DDs can be set up on a range of weekly, fortnightly, four weekly, monthly schedules incorporating Monday and Friday collections and several other days of the month. The ability to collect rent on a day which suits the income of each tenant is resource heavy but is an integral part of our income

strategy. Currently one person has responsibility for extracting the direct debit files and providing them to Digital Services for submission to BACS, this is an unacceptable risk and needs to be mitigated by involving a larger team. The files cannot be run too far in advance or there is a risk of requesting funds when the tenant's circumstances have changed and extracting the files too early impacts on the weekly account balancing. In contrast Council Tax only have four payment files per month and sundry debts one.

2.10   An annual income of £22m will be received into the Housing system from various sources, direct housing benefit and UC payments, a consolidated bank transaction for non HRA tenants which must be credited to individual accounts, 2 types of DHP payments and online payments, direct debit and standing orders, card payments made over the phone, payments through Paypoints and a card payment mobile terminal used by staff.   These are all received into the Council's bank account and then uploaded to the housing system. There is a consistent issue with people making payments using an incorrect reference and paying into the wrong account if they have two accounts. All these payments need to be reconciled and applied to the correct account.

2.11   HRA rents and service charges are reviewed annually and an increase or decrease applied, this is a significant project with statutory timescales requiring all tenants to be informed of their charges in time for the annual Housing Benefit mass recalculation. For each new tenancy, the rent should be reviewed and confirmed.

2.12   The Rent Accounting function is subject to audit each year due to the complexity and risks inherent within the function. To date and with the latest report in May of 2023, Audit have given the highest rating of Substantial Assurance but as the level of system work in this team increases there will not be adequate resources to ensure this is maintained.

2.13   The Housing Technical Services team have two posts, one full-time, and one 23 hours who deal with all their system requirements and invoicing for the reactive repairs service. One post is currently vacant, and there is no cover for these roles, which have specific system and process knowledge but there is no succession planning or supervision with system knowledge to support them.

2.14   The Council used the NEC Allocations module until 2010 when it joined a consortium for Choice Based Lettings which procured an alternative system, Locata. When the consortium ended the Council retained Locata and is now in the process of rebuilding the Allocations module so that Choice Based Lettings and allocation of properties will all be managed within NEC and therefore through online accounts. There is currently no expertise in this module and as it is the most complicated module within the NEC system it is essential to have system support. There is a risk with not having technical support available for the Allocations module as failure to let properties in a timely manner or appropriately can have significant costs and legal repercussions. When the NEC system was previously used daily paid consultancy had to be procured for any system changes which is not operationally or financially acceptable.

2.15   Where tenants receive the benefit of communal facilities or services such as lighting, heating, caretaking, grounds maintenance etc., service charges are applied. These are updated annually on each account to reflect the actual cost of the service being provided. The Council also has 160 leaseholders whose service charge and repairs accounts are managed within the Accountancy section. It is proposed to move this into Housing and onto the NEC system so that leaseholders can also access everything relating to their account online.

2.16   The Council is embarking on a large capital programme, which will involve work to leaseholders' homes and to the communal areas for which they will be charged a contribution. Following statutory consultation, invoices will need to be levied and the costs collected. Whilst this has been done in the past on a limited basis there have been no significant capital programmes for many years and there is insufficient capacity to manage this process for the anticipated spend.

2.17   Members approved a recharge policy in March 2022 which will result in increased income for the Council but there is insufficient capacity to manage the collection and offer the wider service of repair to tenants which could be done by an expanded revenue resource.

2.18   With the new modules in place the next development phase will be to implement the automated processes for our procedures. This is done by using the functionality Task Manager and Business Flows. Currently Housing do not have capacity the to roll this out across the business and then maintain the processes. With the new modules supported by Task Manager and Business Flows there can be business efficiencies for the operational staff, but this will only be possible with a support team with the appropriate IT skills and capacity. Although NEC have been contracted to build the new modules, after launch any consultancy required will be at the usual rate of £1,200 per day plus costs. After initial support Task Manager and Business Flows could be rolled out by an extended team saving a large amount on consultancy and building in house capability.

2.19   With the launch of our Housing Online Service the Council aims to move most of our transactions to digital providing faster responses for residents able to self-serve and freeing up capacity for those who need a more bespoke and personal service. This will only be possible if there are processes in place to ensure that enquiries are captured and routed to the correct location. There must be technical support for service users experiencing problems with their account and as each new service is rolled out this will be added to the online system build.

2.20   Biannually, the National Fraud Initiative requires a large data extract of all tenants and former tenants, Right to Buy completions with discount and Housing Register applicants which must be collected and formatted ready to run on a specified date so that a national check can be done. The quantity and variation of reports requires several extracts from the system to be then consolidated into a formatted database for upload. Annually, data on our services is submitted to DLUHC for the Local Authority Housing Statistics which takes time to compile and check, and the HCLIC homelessness returns will be submitted from NEC once Housing Advice module is implemented and from 2023 the Regulator of Social Housing will require a range of new performance measures.

2.21   Technical Services will spend more than £50m on reactive and planned repairs over the next 7 years and this will be managed within the NEC system. Each contractor must be set up with budgets, pricing policies, and contract terms to enable this to be monitored and managed effectively by the technical staff. The Contractor portal will enable suppliers to vary, complete and invoice works through a link to our system once they are set up to do so.

2.22   There are 5 existing posts for which the budget, which will be utilised to create this new section, 2 new posts will be required with an increase in some posts to reflect increased responsibilities.

Figure 1 Current Posts

Job	Grade	FTE	Post No	Top of salary	Budget inc. 28.5% oncosts	Post
Revenues & Systems Officer	MMA	37	E0065	46,558	59,827	Deleted
System Administrator	9	37	E0372	34,474	44,299	Deleted
Technical Assistant	7	23	E0240	27,991	21,873	Deleted
Revenues & Systems Assistant	7	37	E0066	27,991	35,968	Deleted
Housing Solutions Officer	10	37	E0055	38,276	49,185	Deleted
				Current Total Costs	**211,152**	

Figure 2 Proposed posts and costs

Job	Grade	FTE	Post No	Top of salary	Budget (inc. 28.5% oncosts	
Revenues & Systems Manager	SMA	37	E0065	61,724	79,315	NEW
System & Revenue Administrator	9/10	37	E0372	38,276	49,185	NEW
System & Revenue Administrator	9/10	37	New post	38,276	49,185	NEW
System & Revenue Administrator	9/10	37	New Post	38,276	49,185	NEW
Systems & Revenue Assistant	8	37	E0240	31,065	39,919	NEW
Systems & Revenue Assistant	8	37	E0066	31,065	39,919	NEW
Systems & Revenue Assistant	8	37	New Post	31,065	39,919	NEW
				Future Total Costs	346,625	
			Additional supplementary estimate required		**135,473**	

3. Policy framework implications

3.1 The establishment of a Housing Systems Team and £50,000 in 2023/24 to enhance the Housing System is proposed within the Housing Service Area Plan.

3.2 Effective IT systems support the delivery of all housing policies – including: Repairs, Rents, Homelessness, Housing Allocations, Tenancy, Recharges and the implementation of the Housing Asset Management Plan.

4. Resource implications/Value for Money

4.1 The 2023/24 budget approved by full Council in February 2023 included a capital provision of £50,000 for the purchase and implementation of the Anti-Social

Behaviour and Customer Service Modules and revenue provision of £135,000 for the establishment of a centralised Business System and Revenue function, subject to a future committee report, including the submission of full business cases for member approval. These business cases are set out in Appendix A.

4.2   If Members are content with the detail presented in the report and business case, and the costs presented are within the amount provided for in the growth provision, the Committee can provide their approval to proceed and for the budget provision to be released.

4.3   As the budgetary provision has already been agreed by full Council through the budgetary process, the release of this money does not require further referral to the Corporate Management Committee.

4.4   Additional resources for IT support within Homeless and Housing Allocations are generated by removing a Homelessness Officer from the staff structure.

4.5   Anticipated further improvements in income collection, through rents, recharges and former tenant arrears.

5.   **Legal implications**

5.1   Under the provisions of section 112 Local Government Act 1972 a local authority shall appoint such officers as they think necessary for the proper discharge by the authority of such of their functions. An officer appointed shall hold office on such reasonable terms and conditions, including conditions as to remuneration, as the authority appointing him think fit.

6.   **Equality implications**

6.1   None identified.

7.   **Timetable for Implementation**

7.1   On approval of the required supplementary estimate job descriptions and grades will be confirmed with HR. There will then be a full consultation with the postholders affected by this change following a recruitment to vacant posts.

8.   **Conclusions**

8.1   The current staffing resources are not adequate to support the NEC Housing Systems and ongoing business requirements. Members are asked to approve the release of the resources identified within the HRA's 2023/24 approved budget to enable the establishment of an expanded System and Revenue function within Housing incorporating existing and new posts.

(To resolve)

Background Papers
None stated