

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 11 th March 2026
Subject:	Housing IT and Systems – QL improvements and upgrade	
Report of	Cabinet Member for Housing Services	

1.0 Summary

The purpose of this report is to seek Cabinet approval that an additional £1.2m of Housing Revenue Account monies be used to fund necessary improvements to the Housing IT software infrastructure used to enable the Council to provide its housing management service.

The £1.2m is split into two components – professional services, and annual subscription costs – and covers a three-year contract period ending 31/03/29. Contract Year 1 runs 01/04/26 to 31/03/27; Contract Year 2 runs 01/04/27 to 31/03/28; Contract Year 3 runs 01/04/28 to 31/03/29.

It should be noted that an existing Contract is in place at an annual cost of £141,634 coterminous with the above Contract Period. The requested £1.2m is over and above the existing Contract in place i.e. over and above the annual £141,634 currently paid.

The improvements are necessary to ensure the provision of an effective and efficient housing management service, following bringing back in-house the housing management function, from the ALMO structure Six Town Housing Ltd.

It has become clear over the past year, that the current housing IT software landscape is out-of-date, inefficient, and risks serious and imminent non-compliance with legislative, regulatory, and good practice requirements.

A full-time Programme Manager has been appointed (September 2025) to oversee and implement a Housing IT and Systems Programme, with this financial ask being the first democratic step in programme implementation.

The figure of £1.2m is the figure our current software provider – Aareon Ltd – has provided to cover the cost of the necessary IT improvements and upgrade (including moving to a cloud-based system moving forward).

Procurement issues have been explored – with compliance with the Public Contracts Regulations 2015 and the Procurement Act 2023 being primary drivers.

With this financial ask exceeding £500k, Cabinet approval is required.

2.0 Recommendations

Cabinet is asked to approve:

- **£383,800** in the 2026/27 financial year relating to a one-off professional services cost of improving/upgrading the current housing IT software; plus
- **£243,333** in the 2026/27 financial year relating to a Year 1 annual subscription cost; plus
- **£33,333** in the 2026/27 financial year relating to full-time (i.e. office hours 52 weeks per year) IT support in the form of an Aareon employee dedicated solely and exclusively to Bury Council; plus
- **£243,333** in the 2027/28 financial year relating to a Year 1 annual subscription cost; plus
- **£33,333** in the 2027/28 financial year relating to full-time (i.e. office hours 52 weeks per year) IT support in the form of an Aareon employee dedicated solely and exclusively to Bury Council; plus
- **£243,333** in the 2028/29 financial year relating to a Year 1 annual subscription cost; plus
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3.0 Background

In the late 1990's and 2000's all Local Authorities faced tough decisions regarding the management of, and investment in, their Council housing stocks. Central Govt. introduced the Decent Homes Standard in 2000 – requiring it (i.e. the 'Standard') to be met by 2010. All 270 LA's in England subsequently carried out a Stock Options Appraisal considering four basic options: 1. Stock to remain owned/managed by the Council. 2. Set up an Arms Length Management Organisation (ALMO). 3. Secure investment via the Private Finance Initiative (PFI). 4. Stock Transfer (generally to a Housing Association / Registered Social Landlord).

Bury Council chose the ALMO route in 2003 – with the resultant management structure 'Six Town Housing Ltd' being set up. Six Town Housing Ltd operated successfully for many years, but a rigorous and robust re-review exercise took place in 2023, resulting in the housing management function transferring back to Bury Council (with associated TUPE arrangements etc.). This significant management change has, since 2023, highlighted clear and present housing IT issues. A robust and independent consultancy report was produced in June 2025 entitled 'Housing Applications Review' – which recommended in summary that:

“Based on the findings from this review, the primary recommendation is to not replace QL, but to continue work with the QL system that is in place, upgrade it and optimise it, improve it and run a programme of work to reimplement correctly the Aareon QL suite of products making this the master repository for all housing data and processes”.

The Housing IT and Systems Programme is the resulting manifestation of this recommendation. The Senior Responsible Officer is the Director of Housing. The Programme’s objectives are to:

- Formulate a standalone Programme, managed by a full-time Programme Manager, with full and robust governance and accountability arrangements in place, that seeks to achieve tangible housing IT systems improvements, initially over a 12-month timeframe.
- Analyse current usage patterns/behaviours/opportunities/constraints of the QL IT system architecture.
- Realise increased efficiency and effectiveness in the current usage of QL by reviewing existing functionality.
- Realise increased efficiency and effectiveness in the future usage of QL by expanding this usage into areas of functionality currently enabled by other software applications.
- Achieve increased automation of housing management tasks.
- Root-and-branch review system user training, achieving much greater information-sharing, knowledge transfer, and collaboration.

The first of these objectives has been met, with full governance arrangements now firmly in place, and an SRO appointed.

In furtherance of the second of the objectives, several meetings and considerable information exchange has taken place – with the result being a costed proposal from Aareon received by the Council on 21/11/25.

The remaining four objectives are the raison-d’etre of the Housing IT and Systems Programme throughout 2026, and are dependent on cabinet approval of £1.2m of Housing Revenue Account expenditure.

The financial summary of Aareon’s 21/11/25 proposal can be found below. A more detailed breakdown can be found at section 2.0 above.

Professional Services Costs	Cost (exc. VAT)
Stage 1: Part 1: QL efficiency audit	£7,500
Stage 1: Part 2: QL Tech Audit	£1,950
Stage 2: Move to hosted	£80,000
Stage 3: TBC as part of the QL efficiency audit but based on knowledge we assume; <ul style="list-style-type: none"> • Customer self service – app and portal • Contractor portal • Mobile working app (PS) stock and estate, voids, repairs, compliance, tenancy services • DRS migration to hosted and associated configuration 	£192,400

<ul style="list-style-type: none"> • Data migration from Lifespan/ 3rd party data migration • Hazards • Legionella form and workflow 	
Day to day: professional services pack of days	£52,000
Stage 4: Part 2: QL Housing Overview Training – 1 x training session. Remote via Team, Max 6 participants	£2,250
Stage 5: Part 1; QL Comp upgrade – Live OOH	£11,850
Stage 5: Part 2: Versa Comp upgrade – Live))H	£11,850
Day to day: Part 2: Rent debit – month end support	£24,000
Estimated professional total	£383,800

Software and annual subscription cost	Cost (exc. VAT)
Move to hosted	£317,000
Customer self service portal	£77,000
System admin	£100,000
Contractor portal	£47,000
Mobile working app: stock and estates, voids, repairs, compliance, tenancy management	£235,000
DRS hosting charge	£25,000
Hazards module (ARR)	£63,000
Estimated software subscription costs	£864,000

The Programme Board recommends immediate pursuit of the Aareon proposal.

4.0 Social Value

Upgrading the Housing Department's IT system set-up will deliver Social Value by:

- Enhancing service quality, digital inclusion, and tenant experience
- Supporting Council staff skills development
- Improving staff productivity and wellbeing
- Enabling data driven decisions that reduce cost and improve service provision
- Contributing to carbon neutral objectives and environmental sustainability – primarily by zero reliance on physical server infrastructure
- Increasing through improved service quality transparency, trust, and accountability in public service provision.

Alternative options considered and rejected:

There are two:

1. Do nothing:

Whilst 'do nothing' is technically a viable option in that the Local Authority is currently able to provide a housing management service to its tenants and

leaseholders, the current housing IT software landscape is out-of-date, inefficient, and risks serious and imminent non-compliance with legislative, regulatory, and good practice requirements.

2. Decommission current IT software provider and tender:

Aareon is a long-standing software provider with a satisfactory track record both nationally and with Bury Council. That said, the option of a full and open competitive tendering exercise has been fully considered. The cost of this 'start afresh' approach however, is estimated to be in the region of £6m-£12m. (The reason for such a sizeable variance is that Aareon have estimated a figure of £6m-£9m, and an independent consultancy report suggested a figure of £12m in June 2025).

Business Case:

It has not been possible to collate like-for-like benchmarking data comparing and contrasting the financial ask being made in this Cabinet Report, with that of other Local Authority housing departments. The reason for this is that there is not another Local Authority housing department in England in the same predicament as Bury Council housing department.

That is to say, that there is not another LA housing department in England that:

- i) currently uses Aareon as its IT systems provider; AND
- ii) wishes to upgrade its current system to a cloud-based set-up; AND
- iii) provides a housing management service to approximately 7,800 tenants on an in-house basis.

Furthermore, informal liaison with neighbouring LA colleagues has revealed that a) some HRA expenditure is regarded as commercially sensitive, and b) Bury Council's funding of its housing IT system from its Housing Revenue Account is unusual (i.e. IT as a function is generally funded from centralised Capital budgets).

Some financial efficiency and return-on-investment projections can be arrived at however:

- The cost of 'doing nothing' could be very significant. The status quo poses clear and present non-compliance concerns – with the 'burning platform' analogy possibly being appropriate. Were non-compliance to become a reality, the annual legal cost alone of this might be in the order of £433,446. This excludes Officer time, the higher nature of emergency remedial Works costs, and Ombudsman and/or Regulator of Social Housing fines (the latter, as of 2025, being uncapped).
 - By way of a theoretical example, if 1% of Bury's Council housing stock pursued a non-compliance case against the Council per year, the annual cost of this might be £433,446. The financial logic for this is as follows:
 - 1% of Bury's 7,800 social housing stock is 78;
 - A 2025 Inside Housing survey sample of 70 English Council's suggests a national repairs and safety non-compliance legal cost-per-property range of £1,972 - £9,142, which would produce a median value of £5,557;

- $78 \times \text{£}5,557 = \text{£}433,446$.
 - By way of an actual regional Local Authority example, Sheffield City Council's published 2022/23 total (i.e. legal costs plus associated repair obligation costs) non-compliance expenditure was $\text{£}2,986,269$.
- The cost – and importantly the timescales involved – of procuring a completely new housing IT system would certainly run into the millions of pounds. The Council commissioned Co-Stratify (an independent private sector Consultancy) to review Bury Council housing department's IT infrastructure in the Spring of 2025 – with the resulting Final Report in June 2025 suggested that this cost would be in the region of $\text{£}12\text{m}$. Aareon Ltd has also recently (December 2025) estimated the cost of providing a completely new housing IT system to Bury Council, at " $\text{£}6\text{m}-\text{£}9\text{m}$ ".
- Upgrading the current housing IT system (QL) at a cost of $\text{£}1.2\text{m}$ therefore appears to be the most prudent option at this point in time. In terms of potential return on investment projections, the following considerations are pertinent:
 - $\text{£}433,446$ per annum might logically be saved relating to non-compliance costs (see above for calculus detail);
 - $\text{£}123,258$ per annum might be saved in not having to pay for third party software – although it is important to note that not 100% of this outlay should be expected to be able to be offset. The current housing IT set-up comprises nine software interfaces (including QL). Aside from this set-up posing challenges in terms of the various software applications needing to communicate with one another, it also means that a plethora of contract/subscription costs are involved. If the five most expensive of these annual costs (DRS at a cost of $\text{£}46,114$, TCW at a cost of $\text{£}23,496$, Lifespan at a cost of $\text{£}21,294$, Versaa at a cost of $\text{£}17,389$, and Mobile App at a cost of $\text{£}14,965$) could be saved, this would equate to $\text{£}123,258$;
 - $\text{£}122,500$ per annum might be saved in staff system user time under an upgraded cloud-based version of QL. This is a conservative estimate and is premised on a 10% user time efficiency saving. Assuming an FTE of 35 staff using QL, on a mean salary of $\text{£}35,000$ (inclusive of on-costs), a 10% saving would equate to $10\% \times \text{£}1,225,000$, which is $\text{£}122,500$; and
 - $\text{£}21,778$ might be saved as a one-off cost in the 2026/27 financial year due to not needing to train/retrain housing management service personnel in learning to operate a replacement housing IT system – which would need to be the case should the upgraded QL route not be pursued. Whilst a training/retraining cost element will apply to the upgraded QL route, this will be a fraction compared to that required should a new system be installed. The upgraded QL route will clearly be based on the current QL infrastructure – so a significant degree of familiarisation will apply as the same (or similar) front end functionality will feature. The calculation of $\text{£}21,778$ is a product of the difference between system users needing 1 day's training and 1 week's training – which notionally is the difference between $\text{£}27,222$ and $\text{£}5,444$.

The three potential annual savings added together equate to £679,204; whilst the one-off potential £21,778 would apply only to 2026/27 i.e. the financial year in which the upgrade (or otherwise) will take place.

In conclusion, it is the consensus view of the Housing IT and Systems Programme Board, that the expenditure of an additional £1.2m over three financial years on an upgraded version of the current housing IT system (QL), is the most prudent way forward at this juncture. In very crude financial terms, spending £400k per annum (i.e. £1.2m divided by 3) over three years might save a potential expenditure of £679k (see above) per annum. Moreover, the pressing priority is to have in place a regulatory compliant, cloud-based IT system architecture – which an upgraded QL would ensure.

This option would then afford three year's 'breathing space' – in which the longer term solution procured via a full and open competitive procurement exercise can be explored.

Links with the Corporate Priorities:

The Let's Do It Strategy sets out the Council's corporate priorities.

The Housing IT and Systems Programme will support delivery of the Let's Do It Strategy in three of the seven core outcome measures:

Improved Quality of Life:

The programme contributes towards ensuring improved modernised homes that meet the Social Housing Regulators Decent Homes Standard.

Carbon neutrality by 2038:

The programme contributes towards carbon neutrality by increasing and improving digital processes and reducing reliance on out-of-date inefficient (and often manual) ways of working.

Improved digital connectivity:

The programme contributes towards digital connectivity in a very significant way – in that the IT infrastructure that will result will be cloud-based. The number of software applications used to enable the provision of the housing management service will also reduce.

Equality Impact and Considerations:

Many of the Council's social housing tenants suffer from socio-economic disadvantage.

An improved IT landscape will contribute towards enabling the delivery of a more efficient and effective housing management service to Council housing tenants.

Tenants and leaseholders will also benefit from enhanced digital processes and improved reporting and analysis capabilities.

The Housing IT and Systems Programme does not bring about any changes that would impact on one protected characteristic over and above another, it does not result in increased/decrease access to services or provision for any group of the population or cause any disadvantage to a community of interest.

Indirectly the Programme will also contribute towards improved energy efficiency, the reduction of fuel poverty, and general health and well-being.

Environmental Impact and Considerations:

The Housing IT and Systems Programme also contributes – by virtue of the fact that it enables the housing management service to be provided – towards ensuring an improved built environment for all Council housing, enabling an efficient repairs and maintenance service, and effectively managing Contractors and subcontractors. It also contributes to carbon reduction efforts.

Assessment and Mitigation of Risk:

A full Housing IT and Systems programme Risk Register has been produced and ratified by the programme Board – with the three primary risks outlined below:

Risk:			Unmitigated Risk Rating			Controls and Mitigation:	Mitigated Risk Rating		
Risk Ref.	Risk Description	Risk Owner	Likelihood (1 to 5)	Impact (1 to 5)	Score		Likelihood (1 to 5)	Impact (1 to 5)	Score
HITS1	Statutory Duty failure (e.g. falling foul of statutory homelessness legislation, non-compliance with Decent Homes Standard, Regulator for Social Housing non-compliance) due to IT system improvements.	SRO	3	5	15	Senior and experienced Officers on Programme Board to offer preparatory knowledge.	3	4	12

HITS2	IT system improvements incompatible with existing systems in place.	SRO	3	5	15	Proposed improvement an extension of what has gone before, as opposed to a clean sweep.	3	4	12
HITS3	Interoperability issues increase as IT system improvements become live.	SRO	3	4	12	Ensure intensive monitoring as improvement 'go live'.	2	4	8

Legal Implications:

This Cabinet Report relates to a financial request of £1.2m for the award of a contract to Aareon, for necessary improvements to the Housing departments current IT software infrastructure. This amount exceeds £500,000 and therefore has important procurement implications relating to public sector financial probity.

It is noted that the appointment of Aeron and updates/upgrade to the Housing department's IT software that they will undertake, will enable the Council to better meet its legislative and regulatory requirements.

Due consideration has been given to procurement legislation and good practice – with compliance with the Public Contracts Regulations 2015 (and the February 2025 update) and the Procurement act 2023 being paramount.

Financial Implications:

This Cabinet Report seeks Cabinet approval of an additional £1.2m of Housing Revenue Account monies to be used to fund, over three financial years, necessary improvements to the Housing departments IT software infrastructure.

The £1.2m is split into two components – professional services, and annual subscription costs – and covers a three-year contract period ending 31/03/29.

(It should be noted that an existing Contract is in place at an annual cost of £141,634 coterminous with the above Contract Period. The requested £1.2m is over and above the existing Contract in place.)

The £1.2m breaks down as:

- **£383,800** in the 2026/27 financial year relating to a one-off professional services cost relating to improving/upgrading the current housing IT software; plus
- **£243,333** in the 2026/27 financial year relating to a Year 1 annual subscription cost; plus
- **£33,333** in the 2026/27 financial year relating to full-time (i.e. office hours 52 weeks per year) IT support in the form of an Aareon employee dedicated solely and exclusively to Bury Council; plus
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Appendices:

None

Background papers:

None.