

**REPLIES BY THE MINISTER OF
THE HOUSING DEPARTMENT
TO QUESTIONS ASKED PURSUANT TO RULE 6 OF THE
RULES OF PROCEDURE BY DEPUTY P L GILLSON**

1. Please provide a statement in relation to your department detailing whether as a result of the new SAP system efficiency and management of processes have improved, stayed the same or reduced for each of the functional areas of: estates, finance, procurement, HR management of staff and HR recruitment of staff?

It is difficult to provide a blanket statement, but Housing Department staff report that since the implementation of SAP, system efficiency and management of processes have generally worsened in the areas of finance, procurement and staff recruitment. Property management has been largely unaffected and basic HR procedures are mainly working satisfactorily.

Where problems do exist they are not universal throughout the Department. Not unexpectedly, given the complexity of their operation, the most difficulties have been encountered in the management of the Department's two residential homes, particularly around HR and the procurement of goods.

However, given the stage reached in the project implementation, it is both too simplistic and far too early to judge whether this is a permanent or temporary state of affairs. A more objective assessment of the impact of the new SAP/STSC system can only be made once the new system and new working procedures have had time to become established, current difficulties have had a chance to be worked through, and suppliers have adjusted to the changes in their interactions with the States. Nonetheless, for those staff that are at the front line of adjusting to the new ways of working, there is no doubt that the day-to-day issues being faced are proving trying and time-consuming to resolve.

2. Would you also explain the methodology used to measure any such change in efficiency?

This is an almost impossible question to answer, particularly at this stage in the system rollout.

Certainly, for some procedures – for example, the recruitment of staff – the SAP system is requiring Housing managers to spend far more time on the process than they have previously; however, this impact may have been offset by staff savings outside the Department. Where problems exist in other areas, there is an increased management and administrative overhead in checking unreliable data; however, it is hoped that this will not prove to be a permanent state of affairs.

But in the interest of balance, the introduction of SAP has had the intended consequence of improving financial controls and budget management; for example, in the increased use of purchase orders in the Department's residential homes.

3. As a result of non-payment or late payment of invoices have any suppliers:

*Refused to supply, or
threatened to refuse to supply, or
delayed the supply of goods or services?*

If so how many suppliers?

Since the implementation of SAP, two suppliers have refused to supply, and one has threatened to refuse to supply, goods or services to the Housing Department.

4. *Have at any time since January 2013 any suppliers of goods and services to your department withdrawn credit facilities from the States of Guernsey so goods or services have to be bought on a "cash only" basis? If so, how many suppliers?*

No – and it is not acceptable for the States to pay in cash only.

Date of Receipt of the Question: 6th June 2013

Date of Reply: 21st June 2013