

# HAVANT BOROUGH COUNCIL

## CABINET

### Property Asset Management System

#### FOR DECISION

**Portfolio Holder:** Councillor Tim Pike

**Key Decision:** No

**Report number:** HBC/130/2023

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#### 1.0 Purpose of Report

- 1.1 To request utilisation of corporate reserves required to acquire a new property asset management system

#### 2.0 Recommendation

- 2.1 That Cabinet recommends to Full Council that:
  - 2.1.2 That approval is given to a acquire a new property asset management system and that authority be given to utilise up to £140,000 of Corporate Reserves to fund the procurement, contracting and deployment of it and that this is added to the Council Capital Programme.
  - 2.1.1 That the Executive Head of Commercial Services in consultation with the Section 151 officer and monitoring officer be given delegated authority to procure and enter negotiations contract terms with a preferred supplier.

#### 3.0 Executive Summary

- 3.1 In March 2019 a project to undertake a structural review of Property East Hants District Council (EHDC) and Estates at Havant Borough Council (HBC) was initiated. The project purpose was to create one Property and Estates team across both councils through review and re-organisation of functions and job roles. This project was introduced in response to the outcomes of a Peer-to-Peer Review undertaken by The Chartered Institute of Public Finance and Accountancy (CIPFA) in January 2019 and the findings are in 3.3 below.
- 3.2 In January 2021 a decision was made for EHDC to separate from HBC which impacted on the project going forward as a joint venture as a shared service. This Business Case specifically focuses on the procurement of a Property (Asset) Management System for HBC and a as part of the

migration, some additional resource to digitalise property documents, which are currently stored in paper form.

3.3 The outcome of the CIPFA Audit in 2019 confirmed that the current arrangements do not effectively support the ambitions of either council or the core business functions of the service. Specifically, there were several areas of concern identified and in summary these are:

- Lack of evidence of statutory compliance
- Lack of evidence of Health & Safety compliance
- Property data is paper based, disparate, and incomplete
- Performance data is disparate and incomplete
- Strategy and Policy documents are disparate and incomplete

The CIPFA Audit noted that given the lack of a robust system, there are varying degrees of confidence regarding the comprehensiveness and reliability of information and the difficulty of using excel spreadsheets to undertake searches, etc.

Examples of statutory compliance:

- Regulations
  - Maintaining electrical systems / installations
  - Asbestos register
  - Gas regulations (gas inspections of systems / appliances)
  - F Gas (refrigeration)
  - Display energy certificates (EPCs)
  - Control of legionella bacteria

NB: The above is not exhaustive

3.4 In response and as a priority, Officers at HBC have been taking action to address the compliance related issues and create an action plan to close any gaps identified.

3.5 Property (Asset) data of which there are over 900 are currently held in an excel spreadsheet and on the J drive.

#### **4.0 The purpose**

4.1 HBC are intending to procure a Property Asset Management system to help maintain their property portfolio and replace their existing arrangements which are based on spreadsheets and paper.

4.2 The purpose of the project is to:

- Provide a secure and reliable way for staff to view and maintain information about Property assets
- Improve the management of assets, ensuring that financial reviews are undertaken in a timely manner

- Reduce the reliance on manual processes such as creating invoices and recording site inspections
- Use reports and analysis to monitor the portfolio progress and changes over time
- Improve staff efficiency by reducing manual processes, searching for information and having a single record of the truth about each asset.

4.3 The system will be web based allowing staff to access it from multiple locations including remotely for example on a site inspection. This will provide significant benefits to the team, allowing them to follow a fully digital approach removing the reliance on paper.

4.4 The key functions of the system will be:

- Estate management
- Building condition survey
- Maintenance and Compliance
- Insurance valuations
- Invoicing and payments
- Credit control
- Fund management
- Asset Valuations.
- Leases & Licence events
- Finance / Property reports
- Helpdesk

The system is likely to be extendible using different modules, this functionality could include a portal for contractors to access and a mobile app for site inspections.

The system will be capable of being integrated with the Finance system to allow the creation of invoices and other functionality. This will reduce the need for manual processes to interact with the finance system.

It will also allow assets such as beach huts, parking permits, etc to be entered into the system for oversight and reporting purposes

4.5 The implementation of the new Property Asset Management system will allow for more staff flexibility, better reporting, a more efficient service and reduced overall risk to the council of managing a property portfolio.

## **5.0 The Solution**

5.1 A SaaS solution is the preferred option as they markedly reduce the maintenance required by Council staff and ensure that staff have access to the latest features and functionality. SaaS products also help reduce the service deliverability risk in Business Continuity Planning (BCP) for wider infrastructure disruption scenarios.

The preferred solution for a new HBC Property Asset Management system would be based on Software as a Service (SaaS). This technology pushes the responsibility for maintain the system onto the supplier rather than the Council or a third party. The supplier would be responsible for;

- availability of the system
- upgrades
- security
- patches
- backups
- physical infrastructure to the support the system

5.2 The Council would be responsible for;

- provisioning users
- training
- some configurations
- use of the system

5.3 It is intended that the new system will be accessed via a browser therefore reducing the need to install tools on client devices. The system should also support remote working allowing it to be accessed from home and during site visits.

5.4 One of the key advantages of SaaS based systems is that they are constantly updated with new features being deployed. This means that users have access to the latest functionality and are not left using legacy systems.

The Council will have a responsibility to ensure that staff are trained on the system and new functionality as and when it is deployed.

Potential suppliers will, of course, need to support the Council's Data Privacy and Security requirements.

5.5 The system will be capable of integration with the Council's Mapping/GIS systems and the Finance system. The Finance system is use is currently Integra, however, the existing HBC version is going out of support in 2025. The Property Asset Management system will therefore require generic integration capabilities to futureproof against a different Finance system. Finance integration will allow staff to raise invoices and Credit notes automatically without the need to double-type information.

5.6 Several suppliers have been identified, via G-Cloud, as having suitable products available.

5.7 The provision of a new SaaS based Property Asset Management system will replace the current spreadsheet and paper-based processes and therefore:

- allow a single version of the truth with respect to Property assets;

- allow information to be accessible to staff and contractors from multiple locations, 24 hours a day;
- provide security and audit records to control and record access to information; and;
- allow the Council to meet its Data Privacy (GDPR) and security requirements.

## **6.0 Financial and non-financial benefits**

### 6.1 Key Financial Benefits

- Allows reporting and more detailed analysis across the entire portfolio.

### 6.2 Key Performance Benefits

- Provides a single version of the truth with respect to asset information. This will mean that all members of the team will be viewing and working with the same information reducing the time lost searching for data and issues of using inaccurate or out of date information.
- Documents and photos can be uploaded and associated directly with the asset they apply to. When an asset is removed the associated photos and documents can automatically be removed as well so that users are not searching through old items.
- Users will be able to access the system from multiple locations including from home and on-site visits. This will allow them to update and upload information directly without the time and errors associated with managing paper-based records.
- Having a single system will mean that all users are looking at the most up to date information with details of when it was updated and by who.

## **7.0 The project**

### 7.1 Documentation

- Business Case produced – Appendix A
- Detailed specification produced and signed off by property and I.T in HBC Commercial Services
- Process maps produced and signed off as above

### 7.2 The programme plan

- Within the Commercial Services department there is the knowledge and experience, both from an IT perspective and a property asset management perspective to procure, contract and deploy this project.
- The high-level programme timeline is in section 8 below and it is felt to be achievable

- A detailed project plan is being worked up

### 7.3 Project Key milestones

- Cabinet signoff – 22 March 2023
- Council signoff – 22 March 2023
- Procurement and contracting completed by mid-June 2023
- Mobilisation – End of June 23 (1 week)
- Deployment – July to February 2024
  - GIS integration
  - Data validation and cleansing
  - Automated migration
  - Initial manual migration (key assets only)
- Go live – February 2024
- Phase 2: Finance integration: tbc ~ 3months duration

### 8.0 Budgetary Implications

8.1 The total revenue reserves funding required amounts to £140,000, which also includes a 20% contingency

8.2 £45,000 per annum for SaaS software licences to be met from existing cash limited resources in the Commercial Services department. Contract with preferred supplier will be 3 years plus a possible extension of 1 year and a further 1 year. The exact amount won't be known until a preferred supplier has been selected

8.3 Further detail in the business case in Appendix A

### 9.0 Financial implications

#### **Section 151 Officer Comments**

The recommendations in this report ask for the Council to approve the use of Corporate Reserves to procure a new property asset management system. This is a one-off capital expenditure, and I am content that this will not have a detrimental effect on the Council's Medium Term Resource Strategy and that reserves are sufficiently robust to allow this investment.

There is an ongoing cost to licence this product that is estimated to be in the region of £45,000 and this will be met from existing cash limited resources. The exact amount won't be known until a preferred supplier has been selected.

## 10.0 Legal implications

### **Monitoring Officer comments**

Date: 17th March 2023

The financial aspect to this acquisition involves utilisation of reserves. Constitutionally this is something Cabinet would decide in terms of in year use of reserves, as per Standing Order 64.

Specifically, Standing Order 64.3.1 provides that Cabinet may increase in-year use of reserves (in addition to the use of reserves planned in the budget calculations) provided that such use of reserves do not exceed £1,000,000 in aggregate in a financial year and provided that the Chief Finance Officer has certified in writing that such use of reserves would not cause the Council's overall reserves to fall below a prudent level.

Any use of reserves shall be reported to the next meeting of Full Council. This paper should come before council in any event as the decision to incur this expenditure is outside of the budgetary framework.

## 11.0 Risks

- Replacement for Integra by March 2025
- Resource – resource needs to be identified to mobilise / deploy. There will be a requirement for the current team, particularly in the Commercial Services team to undertake UAT, training and procurement evaluations.
- Timetable - Budget and resources need to be properly managed
- Reliance 3<sup>rd</sup> party suppliers - for integrations (capita, other)

## 12.0 Climate and Environment implications

12.1 None identified at this stage.

12.2 All the projects aim to lead the market in including environmental measures

## 13.0 Appendices

13.1 Appendix A – Business Case

## 14.0 Background papers

14.1 None

Agreed and signed off by:

Cabinet Lead: Councillor Tim Pike  
Exec Head of Service: Claire Hughes  
Monitoring Officer: Mark Watkins  
Section 151 Officer: Wayne Layton

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