

Appendix A

**FULL BUSINESS CASE
PROPERTY ASSET MANAGEMENT SYSTEM**

Project Sponsor:	Chris Bradley
Approval Date:	Cabinet - 22 March 2023 Council – 22 March 2023
Project Manager:	Nikki Reay
Issue Number/Date:	0021 - 17 March 23
Status:	Final

Contents

1	Executive Summary	3
1.1	Situation	3
1.2	The Challenge	3
2	Decision Required	3
2.1	Decision Required	3
2.2	Nature of Business Case	4
2.3	Link to Corporate Strategy	4
2.4	Objectives	4
3	Proposed Solution	4
3.1	The Purpose	4
3.2	Outline Solution	5
4	Benefits	6
4.1	Summary of key benefits	6
4.2	Key Financial Benefits	6
4.3	Key Performance Benefits	6
4.4	Key Social and Place Benefits	7
4.5	Key Risk Benefits	7
5	Financial Summary	7
6	Commercial case	7
7	Management Case	8
7.1	Programme Plan	8
8	Timeline	8
9	Key risks / issues	8
9.1	Integrated Impact Assessment	8
9.2	Privacy Impact Assessment	8

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 Review undertaken by The Chartered Institute of Public Finance and Accountancy (CIPFA) in January 2019 and the findings are in 1.1 below.

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

1.1 Situation

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

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.

Property (Asset) data of which there are over 900 are currently held in an excel spreadsheet. 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.

1.2 The Challenge

To have property asset management system which will house all replace the excel spreadsheets by developing a specification in order to procure an IT asset property management system that will be both cost and operationally effective and efficient.

2 DECISION REQUIRED

2.1 Decision Required

This project has been in discussion for over 5 years and for expediency this is a Full Business Case and the decisions required are:

- That approval is given to use up to £140,000 of Corporate Reserves to fund the procurement and contracting of a new property asset management system and that this is added to the Council Capital Programme. Section 5 has the financial costs associated with this project.

- Authority to proceed to procurement
- Authority to contract with preferred supplier
- Then proceed to mobilisation and fully deploy the preferred IT solution

2.2 Nature of Business Case

This Full Business Case is qualitative, as on separation from East Hants DC the approach has been by the Exec Head of Commercial to develop an organisational structure which 'baked in' the principle of the development, procurement contracting and deployment of a SaaS IT asset (property) management system, Therefore, there are no hard or measurable benefits, although the benefits are set out in section 4.

2.3 Link to Corporate Strategy

People First – Growth Internal – Building our Future. HBC's aspiration is to 'strive to improve our services and modernise'

2.4 Objectives

- Centralise property records
- Availability of information both internally and externally to HBC
- Modernise and digitalise records

3 PROPOSED SOLUTION

3.1 The Purpose

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.

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.

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.

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.

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.

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

3.2 Outline Solution

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
- the physical infrastructure to the support the system.

The Council would be responsible for;

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

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.

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.

The system will be capable of integration with the Council's Mapping/GIS systems and the Finance system. The Finance system is use in 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.

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

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.

The current process involves paper, spreadsheets and documents stored on shared drives. Much of this information will need to be checked before it is loaded onto the new system and probably won't be suitable for an automated migration. However, migration capabilities will be included in the specification and where possible they will be used.

4 BENEFITS

4.1 Summary of key benefits

- Assets visibility & control
- Improved asset utilisation
- Reduced costs of software and hardware
- Most efficient use of resource
- Alignment of asset costs to services
- The data source for accurate decisions
- Improved/streamlined process resulting in efficiency savings.
- Improved reporting ability
- Improves maintenance monitoring
- Photos and documents can be loaded remotely using IPads E.G 150 inspection photos can be loaded directly to the system, as opposed to being emailed in, detached and stored on the J drive. Similarly, 30 to 40 invoices a month which go to Darlington.
- Significantly reduces the need to
- Will allow visibility to whoever we give authority to e.g Cabinet members

4.2 Key Financial Benefits

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

4.3 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.

4.4 Key Social and Place Benefits

- Keep HBC assets maintained and safe for the public.
- Facilitate increased sharing of information (with local organisations / stakeholders) which will help ensure that HBC assets are better utilised and more available to local communities.

4.5 Key Risk Benefits

- Audit and Regulatory requirement compliance. Reduces overall risk to the Councils by providing compliance with audit and CIFPA recommendations.
- Allows information to be backed up and subject to retention policies thereby reducing the risk of data being lost or accidentally destroyed.
- System security will control access to information reducing the risk of unauthorised access. Audit controls and reporting will allow administrators to view the history of updates in the syst

5 FINANCIAL SUMMARY

There are a number of opportunities, which aren't identified in the costing to increase income which will offset additional pressures on the budget(s). For example:

- Renegotiating existing leases to achieve more favourable terms
- Fee charging opportunities (wayleaves / easements)
- Exploiting advertising opportunities
- Service charges / insurances recovery from tenants
- Proactive strategic asset management of the portfolios

The project will require a £140,000 released from Corporate Reserves for:

- c. £45,000 for configuration, training and deployment
- c. £36,000 for manual and automated migration
- c. £35,000 for integration – GIS, financial system and Capita
- c.£24,000 for contingency @ 20%

There is an ongoing annual overhead of £45,000 for a licence fee that's linked to CPI. The assumption is that as the cost is such a small % compared to the income that's generated that through this work a very small efficiency in rent reviews and breaks will meet this ongoing cost.

6 COMMERCIAL CASE

As per the contract standing orders, the threshold for this project will fall within the 3-quote process. A Request for Quotation will be issued to 4 suppliers that have been pre-selected

by the project team. The evaluation will be two-stage process, the desktop evaluation and presentation stage. The team will revisit their comments from the desktop evaluation in the second stage when suppliers present their service offerings. The evaluation criteria will be 70 quality/30 price split.

Event	Duration
RFQ process	3 weeks
Evaluation (1st Stage and 2nd Stage)	2 weeks
Award	2 days
Contract	1-2 weeks

7 MANAGEMENT CASE

7.1 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

8 TIMELINE

- Cabinet signoff – 22 March 2023
- Full Council – 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

9 KEY RISKS / ISSUES

- 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 3rd party suppliers - for integrations (capita, other)

9.1 Integrated Impact Assessment

This is in production and will be finalised and signed off before procurement commences

9.2 Privacy Impact Assessment

This is in production and will be finalised and signed off before procurement commences