



Portfolio Holder Decisions

Acquisition of a new property management system

1. **Acquisition of a new property management system** (Pages 3 - 8)

Report of the Assistant Director of Property and Development Projects.

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Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Neil Turvey, Assistant Director of Property and Development Projects	Councillor Lesley McKay, Resources Portfolio Holder	17 October 2024

Acquisition of a new property management system

Key decision: No

1. Purpose of report

1.1 To seek approval for a new property management system to replace the existing one (Tech Forge) which is no longer supported.

2. Council priorities

- 2.1
- Use our land and buildings wisely, managing them to appropriate standards, reducing their environmental impact and maximising income to reinvest in improving services.
 - Use data, business intelligence and research to inform us in making better evidence-based decisions and improve our services
 - Use technology to improve how we work and the services we provide.

3. Recommendations

3.1 That approval is given to purchase the Civica Property Management system on an initial three-year contract at a cost of £78,896 (estimated cost in year one is £54,032, year two is £12,432 and year three is £12,432). This represents a 22% reduction on the original quotation received. A 10% contingency is proposed to allow for any unforeseen issues with the implementation of the system bringing the total estimated cost to £86,786. The current budget for the existing system is £3,390 per annum. Therefore, the additional requirement is £76,616 over the three years. This will be met from the Value for Money reserve, pending a review in two years' time to assess the potential for consolidating with other systems such as finance.

3.2 That approval is given to waive the Council's Financial Regulations and Financial Procedural Rules; Part 4.06.07 Financial Procedural Rules; owing to the procurement falling into the following category: "the goods, works or services constitute an extension or variation of an existing contract or are required urgently".

4. Background

4.1 The council currently operates a dated Technology Forge property management system which was purchased in approximately 2009/10. This system is used by the building surveyors and technical support officer for the logging and monitoring of building works and orders but has not been used by the Estates team for some years and is not up to date in relation to leasehold records. The system is unsupported and licences will expire and access will cease on 4 November 2024.

4.2 A good property management system is an essential tool for the overall management of the council's property portfolio and the old system is no longer adequate. The quality of decision making on property matters is crucially dependant on the quality and accuracy of property data and the proposed new system is essential for collating the property records in one place and establishing Key Performance Indicators (KPI) to ensure efficient management for the future.

4.3 The Estates Audit carried out earlier this year by Lancashire County Council identified the lack of an operational property management system and its impact on document storage, leasehold records and workload monitoring. It is an agreed action on the audit that 'Managers should complete and agree an implementation timetable and date for the new PMS system'. It also cited the difference between debt recording figures in the Finance and Estates records and advised that a linked system be investigated.

4.4 Prices were sought from various providers for the procurement of a property management system through the G-Cloud 13 framework on a three-year contract. Quotes were received from four suppliers.

- Supplier A was the cheapest quote (£54,260 over three years) but we had concerns about its ability to integrate with our financial system and that data migration would be limited. The company provides services to a number of NHS trusts but has few clients in local government.
- Supplier B (£118,075 over three years) was the second most expensive quote and there was no offer of integration with Civica Financials. There was also limited data migration and training included.
- Supplier C was the most expensive quote (£202,500 over three years). The quoted package would meet our requirements and the

system is well regarded by local government users but is very costly.

4.5 Civica was the second cheapest of the four bids and the only one to offer integration with the existing financial system. The Civica proposal is detailed around implementation and data migration and includes training sessions and project management time, it is therefore considered the best proposal.

5. Key issues and proposals

5.1 The Civica quote (£78,896) is for a three-year contract for their property management system and includes the following modules:

- Property, Reporting, KPI and Admin including CAD and GIS Level 1
- Advanced Reporting
- Data Loading
- Capital Accounting
- Helpdesk including Instructions and Invoices
- Estates including Valuations, Acquisitions, Disposals and Billing
- Condition Survey
- Asbestos Survey

5.2 The acquisition of the system would address issues highlighted in the Estates Audit undertaken earlier this year relating to leasehold records and workload monitoring. It would also ensure that electronic copies of all property related documents could be stored on the system, linked to specific sites and buildings and made easily accessible.

5.3 Acquiring the Civica system as opposed to that of other providers brings the immediate benefit of the link with Civica Financials so that rent and arrears records would be connected. The current discrepancy between Estates and Finance team records was another issue highlighted in the Lancashire County Council Estates Audit.

5.4 The Reporting module offers both standard reports and the opportunity to set up bespoke reports. This will enable the council to establish KPI and track progress on a regular basis across all relevant modules.

5.5 The Helpdesk module will cover the works currently held within the existing Technology Forge system and enable works to be ordered and monitored. This will make it easier to track orders, report on budgets and monitor contractor response times. The Condition Survey module will link to this enabling the identification of works required over a set timescale so that budgets can be allocated and works procured and ordered in good time.

5.6 The Estates module will record all sites and buildings in the council's ownership with lease and licence records attached. Sites can be allocated to different surveyors so that there is a clear caseload of reviews and renewals recorded on a calendar within the system. Reports can be

generated to trigger reminders at key dates ensuring that active cases can be tracked and progressed in a timely manner. Asset valuations can also be recorded on the system and property acquisitions and disposals recorded as appropriate.

5.7 The council has recently employed a compliance surveyor to monitor its legal responsibilities in this regard. Whilst this aspect of property management has been reasonably covered to date the record keeping has not been fully centralised which is essential in ensuring that all legal responsibilities are met. Civica offers a comprehensive Compliance package, the current quote includes the Asbestos module but others may be required to provide a full service and ensure compliance.

5.8 Overall, the Civica system is well presented and easily accessible. Photos and documents can be linked to properties which will save staff time in locating and retrieving documents and also reduce the need for paper storage. The Estates module will provide all lease and repair information on its screens and notifications will be sent for key dates. The compliance and building records will also be centralised and the ordering processes updated.

6. Alternative options considered and rejected

6.1 To continue with the current arrangement of holding property records on the council’s standard drives and via paper records. This is an outdated solution and takes staff time locating documents. It is also hard to monitor progress on cases and the lack of a reporting system means that key events like rent reviews and renewals can be missed.

6.2 As detailed above, quotations were provided by four suppliers and considered by the council. The Civica property management software was felt to provide the best solution on the basis of both price and functionality.

7. Delegated functions

7.1 The matters referred to in this report are considered under the following executive function delegated to the Resources Portfolio Holder (as set out in Part 3 of the Council’s Constitution): “To consider departures from Rules relating to financial and contractual matters if appropriate.”

Financial, Legal/MO and Climate Change implications	
Finance	<p>Whilst the purchase of a new property management system will have an initial cost and a continuing licence fee the system will also streamline the Estates Team’s management of the leasehold estate and ensure that reviews and renewals are completed on time thereby maximising income for the council.</p> <p>The ability to store key documents on the system and link them to individual properties should also lead to reduced</p>

	<p>printing and stationery costs and ultimately a reduction in the space currently used for the extensive filing of paper documents.</p> <p>The financing of the system will be by way of a larger upfront payment to enable set up and implementation and a standard amount for the remaining two years. The breakdown is as follows: 2024-25: £54,032 2025-26: £12,432 2026-27: £12,432 TOTAL cost £78,896. A 10% contingency sum is also requested in case of unforeseen costs.</p> <p>The costs of the property management system for three years will be funded from the base budget on 6404/43604/SM013 £3,390 (£10,170 in total) and the balance of £76,616 will be funded from the Value for Money reserve.</p>
Legal/MO	<p>The system will have inbuilt GDPR protocols which should satisfy the council's requirements in this regard. The electronic document storage could also assist the legal team where legal documentation is required.</p> <p>Four written proposals have been sought for the new property management system in line with our contract procedure rules and the contract award to Civica will be made through crown commercial services G-Cloud 13 framework on a two-year contract, with an optional one year extension.</p> <p>Approval would require an exemption to the Council's Financial Regulations and Financial Procedural Rules; Part 4.06.07 owing to the procurement falling into the following category: "the goods, works or services constitute an extension or variation of an existing contract, or are required urgently, or the goods/materials, works or services consist of repairs to, or the supply of parts for, existing proprietary plant or equipment".</p>
Climate Change	<p>The acquisition of a new property management system will have a positive climate impact. This can be achieved through the digitalisation of documents, allowing them to be stored in one location, reducing the need to travel to collect data. The system would also facilitate the council in identifying which buildings require attention, providing the opportunity to reduce their carbon footprint.</p>

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
health and safety	x

risks/implications	✓ / x
asset management	✓
ICT	✓
data protection	✓

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

None.