

Report to the Cabinet



Report reference: C-057-2011/12
Date of meeting: 30 January 2011

**Epping Forest
District Council**

Portfolio: Finance and Economic Development

Subject: Estates and Valuation Section – Property Management System

Responsible Officers: Mike Tipping (01992 564280).
Chris Pasterfield (01992 564124).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That an additional capital estimate in the sum of £35,000 be approved for 2012/13 to procure a replacement property management system for the commercial portfolio.

Executive Summary:

This report makes a case for replacing the current GVA Grimley property management system with a new system that will provide a more flexible and efficient tool for managing the commercial property portfolio and seeks capital funding during 2012/13 to enable a procurement process to be undertaken.

Reasons for Proposed Decision:

To ensure that the Council's property management system provides all the required functionality for the efficient management of the commercial portfolio; benefits from software upgrades as they occur at no extra cost; is capable of future enhancement as required and has a maintenance support package that is cost effective.

Other Options for Action:

To do nothing and continue with the present system which has not been upgraded since 2003, is running on a version of Oracle database that is no longer supported and for which system support costs are high compared with current systems which offer more functionality for less annual cost.

Report:

1. The current property management system was acquired from GVA Grimley in 2003. Since then the software has not been upgraded or enhanced. GVA Grimley as a company providing property management software no longer exists, that element having been taken over by another company Temenos which specialises in banking software solutions.
2. The Council is currently paying £8,410 per annum in system support charges to Temenos for which it receives very little other than emergency support if the software fails. This is not considered to be good value either in terms of cost or the level of service provided compared with what is available from other prominent companies products.

3. The GVA software is a very basic system allowing only for the generation of commercial invoices with no lease management function. The system is inflexible and limited with regards to the production of monitoring reports.

4. The system does not have the flexibility needed for effective management of the rental invoicing process, for example when dealing with matters such as rent free periods, issuing service charges, releasing rent deposits – none of which can be accommodated effectively by the current system.

5. The database platform on which the GVA software runs is Oracle version 9i. Oracle no longer supports this version of their software. The latest version of Oracle software in use in the Authority is version 10g. The GVA software is not compatible with this version of Oracle.

6. All of these factors indicate that now is the time to invest in a more modern property management system that will:

- (a) offer more functions to help the section to manage the portfolio more efficiently;
- (b) provide greater resilience in terms of technical support;
- (c) rationalise and improve on the way property management records are kept at present; and
- (d) achieve a reduction in annual support costs.

7. Several property management systems that are currently on the market have been demonstrated to officers in the Estates and Valuation and ICT sections. They all offer a wider range of functions than the current GVA software.

8. The most important feature of this additional functionality is a lease management module in which all property information can be kept in one place, a wide range of template letters and forms can be created and other data, such as correspondence, legal documents etc., can be imported and stored.

9. A package that combines invoice generation and lease management will:

- (a) improve efficiency by freeing up valuable time currently spent using individual systems to record and monitor properties;
- (b) reduce paperwork generated within the Estates and Valuation office;
- (c) create a more efficient system for the issuing of statutory notices and generation of letters as these will be stored on the system and generated automatically within the statutory time frames. (At present Officers manually fill in forms/letters etc); and
- (d) provide a diary function which will allow the tracking of progress for each property within the system, and generate reminders to the case officer when action is required.

10. A procurement process would be undertaken in accordance with contract standing orders. The systems that have been demonstrated range in price from £25,000 to £45,000. The one off cost would include:

- (a) purchase of the system/software licences;
- (b) the development of a link into AIMS the Council's financial management system; and

(c) implementation and training.

For the purposes of seeking budgetary provision a middle ground figure of £35,000 capital funding is being sought. This represents a level of investment of less than 1% of the annual rent roll of £4 million .

11. Thereafter there would be an annual charge for software support etc which would be met from within existing budget resources. Indications are there would a reduction of between £3,000 and £4,000 in the annual charge currently being paid and for which the Council would receive more benefits in return.

Resource Implications:

Initial capital investment of £35,000 in 2012/13. Anticipated reduction in annual support costs which will achieve a saving of between £3,000 and £4,000 on the Continuing Services budget.

Legal and Governance Implications:

The acquisition of a new system would resolve outstanding Audit recommendations to keep all property records on one system as well as improve efficiency in the management of the portfolio.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

There has been no external consultation undertaken in respect of this report.

Background Papers:

None.

Impact Assessments:

Risk Management

The acquisition of a new system will improve resilience by moving to a modern system that will be supported by both the system supplier for the software package and ICT in respect of the database platform on which it will operate.

Equality and Diversity

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties; reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?
N/A.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A.

