

**FUNDING FOR UPGRADING THE HOUSING ASSET MANAGEMENT SOFTWARE**  
**REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)**



**WARDS AFFECTED: ALL WARDS**

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1. PURPOSE OF REPORT

- 1.1 To seek approval from the Council for the funding to replace Housing's current Asset Management System (AMS) which is no longer fit for purpose.

2. RECOMMENDATION

- 2.2 The Council agree:

- to Option 3 as set out below
- a supplementary capital budget of £35,800 and an annual revenue budget of £5,000 to fund the recommended option.

3. BACKGROUND TO THE REPORT

- 3.1 In 2010 The Housing Repairs Service purchased and installed an AMS called 'Integrator' to record and manage the Housing Stock's condition data. This was to compliment the back office system 'Orchard' used by the Housing department, which records tenancy and repair details.

- 3.2 At the time of implementation, Integrator offered a satisfactory solution for the service however there were issues with using this system as it was not, and could not be, directly integrated with Orchard. This means that all data has to be input manually into both systems as repairs and/or improvements are completed.

- 3.3 Anecdotally, updating within both systems has been completed by different officers' dependant on their job role and the detail of the information to be updated i.e. works orders were completed within Orchard by administrative support officers, whilst the updating of elemental upgrades and renewals such as boilers, kitchens and bathrooms were input into Integrator by the Asset Maintenance Surveyor.

- 3.4 On review of the information that we hold, it was found that we did not have a true up to date position of our stock's condition, as the two systems gave differing information. This is a cause of great concern as the AMS is a key tool in predicting future demand. We can not accurately predict our budgetary needs in the medium and longer terms to ensure that we remain compliant with the Governments' Decent Home Standard and to keep our tenants homes in safe and service-able repair.

4. OPTIONS APPRAISAL

- 4.1 The current AMS will become unsupported later this year and therefore the HRA Investment Board was asked to make a decision on what we will use in its place. There were three options that were considered with varying costs and risks associated with each;
- **Option 1** – Purchase Integrator's updated browser based system without an interface into Orchard
  - **Option 2** – Purchase Integrator's updated browser based system with an interface into Orchard
  - **Option 3** – Purchase Orchard's own AMS 'ProMaster'

#### 4.2 **Option 1**

This option has the lowest Capital outlay of £15,000, and £9,000 each year thereafter. In addition there will be ongoing operator costs as the information is duplicated into the two systems.

Adopting this option continues to allow significant high level risks as those highlighted during the most recent internal audit by CW audit services (Risk ranking 2). We would be in a position of making assumptions on inaccurate data for future programmes of repair, affecting the MTFS and the 30 year business plan.

#### 4.3 **Option 2**

Although Integrator have offered to provide the interface into Orchard for free, this option has the same Capital outlay as in Option 1 but the annual cost rises to £10,500.

In addition to these costs there will be a cost for training on the new upgraded system, however they have been non committal as to what these would be.

#### 4.4 **Option 3**

Implementing Promaster would have a capital cost of £35,800 and an annual cost of £5,000. Promaster have incorporated training costs in the capital outlay figure.

There are a number of benefits relating to the functionality of the Promaster system, specifically that this system will enable any information entered into Orchard or Promaster to interface into the other system without manual intervention, completely removing the need for duplicate data entry by officers. The Promaster system also has a better display and access to information, in that all details can be found in one place in tabbed categories against the property.

There are a greater number of reports available, both for financial and stock information monitoring and management. These reports will allow us to analyse figures within the report reducing the time that officers would need to process this manually. A major benefit from this system is that it will allow us to enter parameters that 'flatten' expenditure across a period of years by altering the dates of renewal programmes and with a clear audit trail. This will be especially useful when updating the 30 business plan giving a more uniform budget requirement for the term of the plan.

Integrator only allows basic asbestos recording to be done within the system whereas Promaster is able to record more detailed information and report on future testing requirements. This is invaluable as the HSE will be producing stricter guidelines on the management of asbestos data later this year.

Another benefit of the new system is that users will be able to access it from any HBBC supported internet browser for example on their tablet device, whilst out on property visits or inspections. This is a more efficient way of working as data can be entered directly into the software without the need to write the information down and input the data once returned to the office.

It is recommended that we progress option 3 and this was supported by the HRA Investment Board.

### 5. FINANCIAL IMPLICATIONS [IB]

- 5.1 Table 1 summarises the initial outlay and yearly support costs for the three options considered above. Over a 6 year period (and beyond) the Promaster option is the most cost effective option.

Table 1

Option	Capital Outlay	Annual Revenue Costs	6 Yr Cost
1 (Integrator Upgrade)	£15,000	£9,000	£69,000
2 (Integrator Upgrade with interface)	£15,000 (+ training)	£10,500	£78,000
3 (Promaster)	£35,800	£5,000	£65,800

- 5.2 There will be an initial short term staffing cost associated with all options for data reconciliation. These costs will be met from existing budgets.
- 5.3 The estimated balance in the Repairs Reserve as at 31<sup>st</sup> March 2015 is £697,000. This balance includes £29,500 of savings from financial year 2014/15 which have been earmarked for the project. The initial capital cost and the ongoing revenue costs will be met from this reserve.
- 5.4 At the HRA Investment Board meeting on the 18th June 2015, the Board approved the recommendation to support Option 3, subject to the Executive's approval of finances in line with financial procedure rules.
- 5.5 A supplementary capital budget of £35,800 is required and to be funded from the Housing Repairs Reserve, along with an annual revenue budget of £5,000.
6. LEGAL IMPLICATIONS [MM]
- 6.1 The most recent audit on the service measured risks associated with the current system and the control measures that were in place. The outcome of this audit was that only moderate assurance can be given on the system's design and operation.
- 6.2 It is essential that the Council has robust and up to date stock condition data to ensure that maintenance programmes can be created to comply with legislative requirements or provide clear audit trails for where compliance is not achievable.
7. CORPORATE PLAN IMPLICATIONS
- 7.1 The Housing Repairs Service contributes to all of the Corporate Aims and in particular by the purchase of Promaster:
- Creating a Vibrant Place to Work and Live
  - Providing Value for Money and Pro Active Services
8. CONSULTATION
- 8.1 Consultation undertaken with AMS end users.
9. RISK IMPLICATIONS
- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that the implementation of Option 3 would mitigate risk effectively.

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 The Repairs Service is delivered to all housing stock and therefore impacts on the entire Borough including rural areas. It also therefore impacts on any vulnerable groups within the Borough.

11. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

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Background papers: None

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