

Briefing note to create a new post – Property Business Officer

Purpose of the Note

This report is to set out the rationale for the establishment of the role of Property Business Officer to manage the service charge process and support budget monitoring and forecasting

Recommendation

To establish a new post of Property Business Officer, Grade F (FTE) in the Strategic Assets and Property Directorate.

The annual cost of £31,088 per annum is to be “fee funded”.

Background

Historically, the Finance Directorate supported the Service Charge Collection function for the Council’s Property Portfolios. In 2016, the Finance Directorate underwent a restructure leading to the loss of key members of staff who delivered this function. Although Finance have continued to provide support the Property Directorate, this has been on a limited and temporary basis, until the full implementation of the IPAMS solution (to include Service Charge functionality).

A review of the IPAMS programme has concluded that no single solution is available to meet all the functional requirements of the original project. This has created a pressure on Finance that is not sustainable, as the Strategic Assets and Property Directorate evaluates further alternative options. It has also become apparent that Property Directorate requires its own dedicate property business support resource to deliver this function in order to maximise income collection and recovery.

Moreover, as result of the SAM Big Ticket programme, the Property Trading Account and Investment Portfolios have significantly increased over the last four years with the Directorate being under increasing pressure to ensure the timely and efficient recovery of service charges and income collection. However, business financial support have not increased accordingly. The Strategic Assets and Property Directorate require a dedicated resource to assist with service charges and support budget monitoring and forecasting to ensure the reporting is accurate and assist decision making.

Benefits of the post creation

The post will assist in achieving the following benefits:

- The timely and accurate collection of service charge income generation approximately £600,000 per year
- The consolidating and retaining service charge billing knowledge and expertise within the Strategic Assets and Property Directorate thereby ensuring internal resilience and reducing reliance on other services
- To support the Council in ensuring that service charges are compliant with RICS requirements
- Drive continuous service charge process improvement

- To work closely with Debt Recovery function to ensure billing are correct to reduce the need for debt recovery and maximise income
- Support budget managers on monthly budget monitoring and forecasting
- Oversee the income reconciliation generated from properties managed by external agents.
- Support budget managers on ad hoc journal corrections and account queries

Costs of the post creation

This post will be fee funded by Property Trading Account.

A dedicated role supporting the service charge process will ensure accuracy of calculations and timely billings that will reduce the necessity for debt recovery. The savings to the Council's Property "bad debt" will support the funding of this post supported by the fee income generated from the sale of assets.

An example of the impact of appointing dedicated resources to support the Directorates income collection is outlined below that forms the rationale for the proposal.

In June 2018 the outstanding property service charge debt was £543,000. In September 2018, the Directorate recruited an Estates Rents Assistant to focus on service charge debt recovery. By June 2019, the debt balance was £244,000 which demonstrates that with dedicated support the direction of travel has become positive and the workload more manageable.