
REPORT TO:	FINANCE & MANAGEMENT COMMITTEE: SPECIAL – FINAL ACCOUNTS	AGENDA ITEM: 12
DATE OF MEETING:	26th JULY 2018	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (SERVICE DELIVERY)	OPEN
MEMBERS’ CONTACT POINT:	TONY SYLVESTER, PLANNING SERVICES MANAGER	DOC:
SUBJECT:	PLANNING & LAND CHARGES SOFTWARE	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 To endorse the Business Case set out in section 3 of Appendix A (Project Brief - Planning Services Improvement) as a valid business reason to invest in a new Planning and Land Charges system.
- 1.2 To approve a maximum of £100,000 from earmarked reserves to fund the implementation of new Planning and Land Charges software in accordance with the Business Case

2.0 Purpose of Report

- 2.1 To seek approval for £100,000 of earmarked reserve funding to be allocated to implement new Planning and Land Charges software. This will be a contingency sum on the basis that the Planning Service will contribute all it can through underspends and additional revenue over and above the Base Budget before utilising this reserve.

3.0 Executive Summary

- 3.1 Environmental and Development Services Committee on 31 May 2018 and Finance and Management Committee on 14 June 2018 considered and approved a review of the Planning Service. The Committees also approved the production of a Business Case to deliver a new IT system which would support the delivery of the Review. This Business Case sets out the necessary investment needed to fund improvements to technology which underpin a significant part of the process improvements and efficiencies identified as part of the Review.

4.0 Detail

- 4.1 A review of the Planning Services was carried out by independent consultants, in collaboration with the Service, in late 2017. The consultants benchmarked the

current service provision and documented a target operating model (TOM) to be implemented over the coming years. In order to modernise both customer facing aspects of the Service and back office processes in the Planning Service the operating model comprises two principle themes; the appropriate staffing structure to processes customer requirements effectively and the technology required to process these requirements efficiently.

- 4.2 Investment in technology underpins a significant part of the improvements identified.
- 4.3 A report detailing the staffing changes needed to modernise the Planning Service was approved by Environmental and Development Services committee on 31 May 2018 and Finance and Management Committee on 14 June 2018. The attached Business Case sets out the requirements to change the digital infrastructure in the Planning Service in direct response to the review.
- 4.4 Full details are outlined in the Business Case, however, these are summarised below.
- 4.5 The Council's current Planning and Land Charges system is the Northgate iLAP suite of software which also includes Building Control and the Local Land and Property Gazetteer. This system has been in place for approximately 20 years and requires the on-site installation of an Oracle database. This Oracle based database technology, whilst once a standard method of running high-volume databases, is now becoming an ever increasing cost burden to the Council. It is no longer cost effective for the Council to retain the skills and knowledge for the maintenance and day-to-day running of this system. This type of installation also requires dedicated hardware, which is contrary to the Council's recently approved Information Technology and Digital Strategy.
- 4.6 The current software is not able to deliver the digital changes necessary to implement the new TOM. A modern system will deliver a more effective, customer focused experience and a more efficient delivery of service.
- 4.7 A high impact corporate risk is directly related to the internal hosting of the current system, principally concerned with the viability and capability of the existing infrastructure (PM-SDDC-PLAN) to continue delivering the software. There has been small service outages already incurred as a result of the aging and complicated nature of the infrastructure. However, it has been identified that the current server has diminishing life and its possible failure identified as a risk with very high impact in the Service Delivery Strategic Risk Register (SD14). Failure of the server could result in:
 - The complete breakdown of the Planning and Land Charges systems to the extent that no applications/requests could be processed in a reasonable period of time. This could have serious consequences for the Council's performance (as measured in Government returns) and therefore its reputation and in attracting further investment into the district, and possible intervention by Central Government.
 - Public access to essential planning data. The Council's website relies on planning data to populate the on-line register which receives the greatest number of hits every year and is a legal requirement. The necessary data is held on the server and the failure of that server would lead to a direct failure of the available on-line records on which so many of our customers, members and citizens rely.

- The failure of the planning system which in particular would affect the essential delivery of housing (e.g. through the discharging of conditions) and the monitoring thereof. Failure to deliver such projects in a timely fashion could lead to sites falling behind in delivery of numbers of dwellings to the detriment of the population in need of those dwellings and the consequential risk to the Council from speculative development from slow delivery.
- A severe impact on the ability to answer property searches. Land Searches have a national target response time of 10 working days. Even a short-term failure could result in instant poor performance and the inevitable adverse impact on vendors, purchasers and property transactions generally.

4.8 It must also be noted that the contractual arrangement for licenses and support relating to the current system is not under a contract term. That is to say, a 12 month rolling arrangement exists which could be subject to challenge under procurement regulations.

4.9 As previously described the current infrastructure is in need of replacement irrespective of a software change. At £50,000 the introduction of new infrastructure without new software would be extremely uneconomical and would still require the same resource commitment.

4.10 Options to move these databases to an off-site 'hosted' version have also been investigated as a short-term solution to mitigate the risk of any potential hardware failure that may occur before the replacement system is fully operational. However, the costs quoted by Northgate are excessive and cannot be justified for such a short-term resolution at just under 70% of the cost of a full implementation.

4.11 A hosted version may have removed some of the operational risk of hardware failure, but does not update the software functionality or improve the system to further improve business processes. Additionally, the hosting costs increase the annual costs of the software to £20,000 over and above the allocated budget for software in these service areas.

4.12 Alongside the main planning system there is also a range of bespoke web-based applications that deliver the public access elements of the Planning Service such as the Planning Applications Register. These are currently being maintained with the support of North Lincolnshire Council, which brings an additional cost to the Service of approx. £5,000 per annum as well as server hosting costs. There have been problems experienced with these web-based systems on a regular basis. The server that they are hosted on is also now due for upgrade and this will also bring additional costs. The skills required to support the web-based applications are specialised and this is not a sustainable approach to support what is a statutory requirement and one of the most high volume contact areas of the Council's website.

5.0 Financial Implications

5.1 The Service has undertaken detailed work to understand the resource requirements of implementing a new system and has utilised up-to-date market knowledge to inform the Council's requirements. This has given the service a good indication of implementation costs, revenue budget commitments and opportunities the market can provide with modern digital solutions.

5.2 Currently, there are three earmarked reserves set aside for the Planning Service as listed below.

£	
Local Plan	108,904
Planning staffing and support costs	93,775
Planning 20% fee increase	33,048
	<u><u>235,727</u></u>

It is proposed that the reserve for the Local Plan, which was created for potential additional revenue costs that may be incurred in relation to the Local Plan, be used as the contingency if savings cannot be found in year in the Planning Service from its base budget. As the Local Plan was fully adopted in 2017 there are not expected to be any further costs incurred.

5.3 Last year the Government introduced The Town And Country Planning (Fees For Applications, Deemed Applications, Requests And Site Visits) (England) (Amendment) Regulations 2017 which raised planning application fees by 20%. It expects that additional income generated from the 20% increase is re-invested back into the Planning Service. The regulations clearly state that '*...These Regulations increase the fees for planning applications by 20% and increase the fee ceilings by 20% for those local authorities that have committed to invest the additional fee income in their planning departments. This commitment has been made by all local planning authorities in England*' and '*The overall impact of the measure will be that additional ring fenced resource will be available to planning departments to support the delivery of an effective planning system.*' The Planning Service Review approved by this Committee on 14 June 2018 has set out a prudent expectation of additional fee income at £65k per annum which would help fund the additional staffing requirements.

5.4 However, it should be noted that the additional income of £65,000 per year is an estimate and will most likely fluctuate depending on actual planning applications. As this Project is expected to span financial years 2018/19 and 2019/20, it is proposed that any savings against the base budget that are generated over these accounting periods is used to offset the up-front costs associated with this Project.

5.5 Income from planning fees can fluctuate. The Council's base budget for overall income is £750,000 in 2018/19, reducing to £600,000 over the life of the current Medium-Term Financial Plan. The base budget is below actual income achieved in recent years.

5.6 It should be noted that should fee income not exceed the estimated levels then £100,000 of earmarked reserves will be used to fund this improvement.

5.7 The attached Business Case sets out the initial implementation costs as £100k but then goes on to show the measurable savings that, although not all cash savings, will be made over the life of the Medium Term Financial Plan (MTFP).

5.8 All savings included within the Business Case will be measured and internally reported on to ensure the expected outcomes of the new software are met. Efficiency savings will be monitored closely to ensure that the need to recruit additional resource due to growth will be managed within the revised structure approved as part of the Planning Services review.

6.0 Corporate Implications

6.1 Approval of the recommendations contained within this report would allow the Planning Service functions to be delivered in alignment with the priority actions within the Council's Corporate Plan. The new technology will therefore have a direct positive impact on the Council's ability to deliver actions against the key objectives of:

- Progress
- Place
- People

7.0 Community Implications

7.1 These proposals will directly benefit the community through ensuing effective strategic planning and delivery of new developments to meet the needs of the growing population of the District.

8.0 Conclusions

8.1 A review of the Planning Service was carried out by independent consultants, in collaboration with the Service, in late 2017 which benchmarked the current service provision and documented out a target operating model (TOM) to be implemented over the coming years. Implementing the review will involve modernising both customer facing aspects and back office processes of the Service. Investment in technology underpins a significant part of the improvements identified.

8.2 The proposals contained in this report aim to deliver the digital transformation of the Planning Service in order to facilitate the process improvements and efficiencies that can be realised when the right digital tools are used to full potential.

9.0 Background Papers

Project Brief - Planning Services Improvement
Planning Services Review