

CABINET

19 September 2017

PLANNING SYSTEM PROCUREMENT

Report of the Director for Places (Development & Economy)

| | | |
|--------------------------------|--|--|
| Strategic Aim: | Sustainable Growth | |
| Key Decision: Yes | Forward Plan Reference: FP/030817 | |
| Exempt Information | No | |
| Cabinet Member(s) Responsible: | Mr O Hemsley, Deputy Leader and Portfolio Holder for Growth, Trading Services and Resources (except Finance) | |
| Contact Officer(s): | Dave Brown, Director for Places (Environment, Planning & Transport) | 01572 758461 dbrown@rutland.gov.uk |
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| Ward Councillors | All | |

DECISION RECOMMENDATIONS

That Cabinet:

- Approve the provision, support, maintenance and hosting of the planning software system (IDOX) by South Kesteven District Council.
- Authorises the Director for Places in consultation with Director for Resources and the Portfolio Holder for Growth, Trading Services and Resources (excluding Finance) to agree the details and form of agreement, in accordance with Section 7 subject to confirmation of compliance with the Public Contracts Regulations by South Kesteven District Council.
- Approve creating a capital budget of £50k to deliver the infrastructure requirements from the project to be funded by Capital Receipts.
- Note that if it is not possible to agree detailed terms with South Kesteven District Council the system will be procured through Crown Commercial Services framework for Local Authority Software Applications (LASA) in accordance with contract procedure rules.

1 PURPOSE OF THE REPORT

1.1 To inform Cabinet of the status of the planning software system (including building control and land charges) and to seek approval to procure the provision, support, maintenance and hosting of a new software system (IDOX) through an agreement with South Kesteven District Council (SKDC).

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 The Council has a planning software system which incorporates building control and land charges. This system is currently provided by Agile Solutions Ltd via a hosted model.

2.2 The Agile system currently costs the Council £35k per annum. This includes support, maintenance and hosting. The contract was signed in 2012 for an initial period of 5 years with a one year contract extension put in place until the 30th June 2018. The Council has a further 1 year extension option which it is not intending to take. Accordingly, the options for future provision of suitable software have been reviewed. This has included a soft market analysis, including software demonstrations, site visits and feedback from other authorities.

3 PROPOSAL FROM SOUTH KESTEVEN DISTRICT COUNCIL

3.1 RCC and SKDC have been discussing opportunities for joint working since February 2016. To date this has resulted in agreements for the provision of planning policy and conservation advice. SKDC are now offering their resources to support and maintain a planning IT system. Under this model SKDC would host the application within their infrastructure and provide a link to the Council to enable RCC staff to access the system. The high level scope of this service includes:

- Provision of the IDOX planning system;
- Public facing functionality (e.g. web mapping of planning applications);
- The hosting of physical servers and IT infrastructure;
- An IT helpdesk;
- Back up and disaster recovery capabilities;
- System updating; and
- Escalation of issues to IDOX.

3.2 SKDC would ensure that updates are carried out and that the correct licences are in place to enable RCC staff full access to the system.

3.3 IDOX software currently has approximately 60% of the market share for planning and building control. The majority of neighbouring authorities with the exception of Charnwood Borough Council use the IDOX software. Using IDOX could therefore enhance the resilience of the teams and reduce training times when recruiting new staff. It would also facilitate future joint working with other neighbouring authorities.

3.4 There are some strategic advantages to working with SKDC. There are already staff sharing arrangements with SKDC within the service area and there could be longer term shared arrangements in the future. Officers believe that the IDOX software solution that is currently being used by SKDC gives enhanced functions for the public and staff and would produce efficiencies in the back office system.

Once the system has embedded, and with a further progression towards mobile working and a paperless office this could create some additional savings through efficiencies.

- 3.5 SKDC's offer includes officer support during the set up and migration periods of the software implementation to maximize the delivery and operational effectiveness of the software.
- 3.6 SKDC currently has 3 years remaining on their contract with IDOX with the option to extend. Given the initial set up cost and work required for system migration it is proposed to enter into a 5 year contract for the system. If SKDC do not extend their IDOX contract they will continue to host the application for RCC. Alternatively hosting could be transferred directly to IDOX at a cost of £15k.
- 3.7 There are a number of different models that can be adopted for the agreement between RCC and SKDC. These are described in Section 7.
- 3.8 In the event that the project is delayed an additional 1 year extension of the current contract with Agile Solutions would need to be secured to enable continuation of all services. This would mean an additional cost of approximately £35k.

4 CONSULTATION

- 4.1 No consultation has been carried out.

5 ALTERNATIVE OPTIONS

- 5.1 **Option 1** – extend the current contract for a further year at a cost of £35k and remain on the current version or upgrade to a new version of Agile Solutions software.
 - a) This only provides a solution until 30 June 2019. The current contract cannot be extended beyond this point and re-procurement would be required.
 - b) If the Council chooses to upgrade during a contract extension period, this would require the testing of data and training of officers on the new updated version. This would be time consuming and impact on the resources within the department. This would not be a viable option given the timescales of a formal procurement exercise and the resources involved in the process of upgrading.
 - c) If the Council chooses to remain on the old version of the software this may result in an unsupported version during any contract extension period. This may result in a risk of software faults remaining unresolved leading to a potential impact on the day to day running of planning services.
 - d) Given the relatively high annual cost of this option and the performance of the current system this option is not recommended.
- 5.2 **Option 2** - Procure a new software system through a framework. The cost would depend on which provider and hosting method was chosen.

- a) The council could procure through the Crown Commercial Services LASA framework. There are providers on this framework that could also provide hosted solutions.
- b) The framework is an established route and is a straight forward process to demonstrate compliance with contract procedure rules and to test the market.
- c) Should an agreement with SKDC not proceed this option would be used to procure a system in accordance with contract procedure rules.

5.3 **Option 3 - Hosting arrangement with a Local Authority partner.**

- a) Building on the success of the partnership with Herefordshire Council to provide the Council's Resource Management System (Agresso), officers have considered working with a Local Authority partner to host the system.
- b) Discussions have taken place with SKDC around them providing a managed planning software system for the Council.
- c) This is the recommended option. The solution also fits in with the general hosting/ cloud approach to the delivery of IT solutions (e.g. Hoople/Agresso project).

6 FINANCIAL IMPLICATIONS

- 6.1 The current cost of the Agile Planning Software is £35K per year and is funded from the central IT budget.
- 6.2 SKDC has offered a standard and an enhanced service. The standard service proposal includes a single server solution with an uninterruptable power supply (UPS) and a backup generator. This is considered adequate for business continuity purposes. The annual cost includes 33.3 days of support at an average of £300 per day which is also considered adequate.
- 6.3 The enhanced service proposal includes a 2 server disaster recovery plan and 57.6 days of support at an average cost of £300 per day.

6.4 The proposed costs are set out below:

| Item | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2021/22 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Hardware costs | £11,500 | | | | | |
| Licences | £34,800 | | | | | |
| IDOX Implementation charges | £18,000 | | | | | |
| SKDC implementation charges | £6,400 | | | | | |
| Annual Support (old system) | £35,000 | £10,000 | | | | |
| Annual Support (new system) | | £25,000 | £25,000 | £25,000 | £25,000 | £25,000 |
| IT Budget | (£35,000) | (£35,000) | (£35,000) | (£35,000) | (£35,000) | (£35,000) |
| Capital Budget (Request for approval within this paper) | (£50,000) | | | | | |
| Pressure/(Saving) | £20,700 | £0 | (£10,000) | (£10,000) | (£10,000) | (£10,000) |

- 6.5 It is proposed that the £21k pressure in 2017/18 is met from the Development Control cost centre. This function is showing an overspend at present, but this doesn't include an uplift of 20% on fees from the autumn (set nationally). The income from planning fees can be volatile, however it is expected that the contribution required can be met from the increase in fees. The Places Directorate as a whole is forecasting a favourable position and would be able to support the development control pressure if additional fees did not arise.
- 6.6 Most of the costs of hardware, licences and implementation would be identical if the system was procured directly. The exception would be about £2.5k for network connections to SKDC's servers.
- 6.7 The total cost of the proposed new system will be £195k over its life. After the initial set up costs this will be £10k less per year than the existing contract. As there would be no set up requirements the cost of current system would be lower over the same period (£175k), however this is not a viable option as the contract cannot be extended beyond 30th June 2019.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

- 7.1 The agreement between SKDC and RCC could take a number of forms as described below.
- 7.2 **Memorandum of Understanding (MoU)**

- a) An MoU between the two councils can be used to set out how the service will operate. This document would normally reflect the shared commitment to work together to deliver the outcome required.

- b) In this scenario there would be other documents including a service level agreement and perhaps an overall framework agreement.
- c) Traditionally MoUs were used to set out aspirational agreements which were not enforceable in law. However, where they include payment for specific services they are enforced through the courts as a legally binding contract.

7.3 Goods and Services

- a) The Local Authorities (Goods and Services) Act 1970 allows a Local Authority to enter into agreements with other authorities for the provision of administrative, professional or technical services.
- b) This approach would provide a formal contract that would be similar in structure to a contract for services with a private sector provider.

7.4 Delegated Authority

- a) The delegation of functions to another local authority is permissible under sections 101 and 102 of the Local Government Act 1972 and sections 19 and 20 of the Local Government Act 2000.
- b) In effect this allows the function of the delivery of the system to be delegated to another authority, in this case SKDC. A formal, legally binding delegation agreement would be developed between RCC and SKDC. The quality and detail of the delegated agreement is critical.

7.5 SKDC's offer is in the form of an MoU. Officers consider this to be an appropriate method of agreement between the two parties.

7.6 The MoU will reflect the shared commitment to work together to deliver the outcome required. It will have legally binding conditions to enable it to be enforceable through the courts. With the MoU option there would be supplementary documents including a service level agreement, quality plan and an overall framework agreement.

7.7 It is proposed to authorise the Director for Places in consultation with Director for Resources and the Portfolio Holder for Growth, Trading Services and Resources (excluding Finance) to agree the details of the MoU, subject to advice from the Council's solicitor.

8 EQUALITY IMPACT ASSESSMENT

8.1 EIA screening has been carried out and no issues have been identified. A full EIA is not required.

9 COMMUNITY SAFETY IMPLICATIONS

9.1 There are no community safety implications.

10 HEALTH AND WELLBEING IMPLICATIONS

10.1 There are no health and wellbeing implications.

11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 11.1 The Council is required to review the current contract with Agile Solutions.
- 11.2 Officers have considered the alternative options and recommend working with another local authority for the provision of new software. This will build on current collaborative working arrangements with SKDC, offer increased resilience and open up opportunities for future efficiencies through joint working.
- 11.3 Cabinet is being asked to authorise the Director for Places in consultation with the Director for Resources and the Portfolio Holder for Growth, Trading Services and Resources (excluding Finance) to negotiate and procure the provision, support, maintenance and hosting to the planning system (IDOX) to South Kesteven District Council (SKDC) under a Memorandum of Understanding (MoU).

12 BACKGROUND PAPERS

- 12.1 There are no additional background papers to the report.

13 APPENDICES

- 13.1 There are no additional appendices to this report.

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