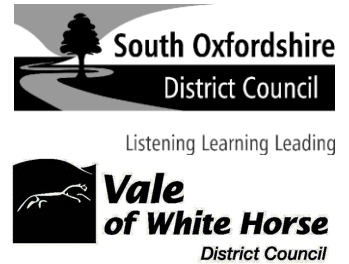


Cabinet Report



Report of Deputy Chief Executive Transformation and Operations

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To: CABINET

Dates: 29 September 2022 (South) 30 September 2022 (Vale)

Business case for Transforming IT and Systems of Planning and Regulatory Services

Recommendations

That Cabinet:

- (a) Approve the business case and recommended procurement option for the replacement of the Planning and Regulatory Services IT systems as an Invest to Save initiative
- (b) Delegate the contract approvals to the Deputy Chief Executive, Transformation and Operations, in consultation with the Head of Finance, subject to costs being within the business case

Purpose of report

1. To present the Full Business Case for the transformation for the IT and Systems of the Councils' Planning and Regulatory Services (Environmental Protection, Food Safety, Community Safety, Waste and Licencing), enabled by the procurement of future proofed and fit for purpose IT solutions.

Corporate objectives

2. The move to customer-centred service provision through digital channels, with a Customer Relationship Management (CRM) solution at its heart and fit for purpose IT systems for service delivery, will support the councils' carbon reduction ambitions by reducing the reliance on paper and avoiding unnecessary travel; whilst engaging with residents and businesses digitally.
3. The future proofed IT systems being deployed through the Technology roadmap will enable services to be designed around the customer and not individual processes, delivering against the principles set out in the Customer Transformation Strategy.
4. The consistent application of those core principles to drive and develop customer services for the councils will release efficiencies through the use of automation and by removing duplication and avoidable contact to take out manual effort, which in turn will ensure the councils use customer facing resources more efficiently.
5. As more efficient organisations, the councils will be able to ensure resources are firmly focussed on delivering the councils' strategic themes and priorities.

Background

6. In December 2021 Cabinet agreed the Customer Transformation Strategy and Roadmap setting out plans for the complete transformation of the way the councils handle customer contact, providing a single point of contact through a centralised customer service function, reduce unnecessary contact, increase self- service, and provide a greater consistency of customer experience across all our services.
7. Fundamental to the success of the transformation work will be IT systems that are fit for purpose and will need to be flexible and adaptable to meet the future needs of the councils. The IT Strategy and Road map agreed by Cabinet in October 2021 outlined a clear direction, which will be supported by full business plans, for the ongoing use and development of technology.
8. The IT solutions currently being used by Planning and Regulatory Services are fragmented and, in some cases, require a new procurement exercise as their current contracts can no longer be extended. They also do not meet the core principles of the IT strategy. The solutions are:
 - Ocella Planning and Regulatory services
 - TotalMobile field force
 - Local Oracle databases
 - IDOX Licencing modules
 - Microsoft M365 Directory Services for file stores

9. To ensure the Councils invest in technology which will deliver the outcomes expected from the Transformation Programme, the full business case (FBC) for the replacement of these IT systems is modelled on the service efficiencies they will unlock through end-to-end service redesign as part of their implementation.
10. A review of the IT market has also been completed and included in the FBC, in line with the Councils' Procurement Strategy.
11. The customer implications of this transformation project will be significant, bringing to life the core principles around once and done for service delivery, right first time across all contact points and in being digital by default for engaging with us. The review of current service delivery has identified considerable scope to streamline and automate services as well as redesign them to make more use of wider council capabilities (customer services, finance IT systems and digital channels).

Options

12. There is not an acceptable "do nothing" option because the councils need IT applications to support their business. The current contract for the Ocella IT solution requires a procurement exercise and the current provider is not listed on any Government Framework Agreements for IT service provision. This contract will expire in October 2023. There are 2 options for completing the procurement exercise.
13. **Option 1 – full public procurement for a new IT solution.** This option will allow the Councils to invite the open market to propose solutions for the service, but the process will be costly in terms of officer time and potential external support and is likely to take at least 18 months to reach contract award. This process also introduces an element of risk in terms of whether bidders' solutions have a proven track record or will deliver the transformational change required.
14. **Option 2 – Procurement of a fit for purpose IT solution through the GCloud 12 Framework Agreement.** This option fits with the Councils' Procurement Strategy and can be completed within 3 months, thus delivering better value for taxpayers and allowing the implementation of the replacement solution within 12 months. The market review has identified a solution provider able to meet the business needs of the Councils and the GCloud12 operational rules permit direct awards to suppliers. This mitigates the risk of procuring an unproven solution.
15. **Option 2 is the recommended option**

Climate and ecological impact implications

16. The move to customer centred service provision through digital channels will support the councils' carbon reduction ambitions by reducing the reliance on paper and postage, avoiding unnecessary travel and increased self-service; this model can also be used to engage with residents and businesses digitally through the new online systems to encourage positive climate change activities.

Financial implications

17. Any council decision that has financial implications must be made with the knowledge of the councils' overarching financial position. For South, the position reflected in the Council's medium-term financial plan (MTFP) as reported to Full Council in February 2022 showed that it is due to receive £2.1 million less in revenue funding than it plans to spend in 2022/23. For Vale, a balanced budget was set in 2022/23 but there is expected to be a budget gap in future years.
18. The funding gap at both councils is predicted to increase to over £3 million by 2026/27. As there remains no certainty on future local government funding, following the announcement of a one-year spending review by government, and as the long-term financial consequences of the Coronavirus pandemic remain unknown, this gap could increase further. Every financial decision made needs to be cognisant of the need to address the funding gap in future years.
19. The effort required to deliver the end-to-end service transformations, underpinned by fit for future IT systems, which will deliver against the core principles will be significant, challenging longstanding operational practices and cultures, and as such needs investment. This business case sets out the investment required and expected return which will help close the funding gap.
20. The investment in new IT solutions for these services will deliver a net saving of £2.266million over 4 years for both Councils. Details of the financial breakdown is contained in Annex A (confidential). These savings will contribute towards bridging the current funding gap in the MTFPs.

Legal implications

21. There are no specific legal implications arising from this transformation project.
22. As individual project activities are progressed, legal advice will be sought on terms of existing contracts, procurement of new systems and software including approval and preparation of contracts, where required.

Risks

23. The main risks to delivery of the strategies are:
 - Project activity timelines not aligning with the councils' outsourced delivery partners and their resource capacity. This will be mitigated through commercial agreements with current solution providers.
 - Customers do not take up the revised service models as digital by default. This will be mitigated by including customers in the service design process to ensure it is fit for purpose and meets their needs, and by wide-ranging communication of the changes the councils are enacting. Communications will be focussed on explaining how the changes will help with the overall achievement of the councils' strategic themes and priorities, not least addressing the climate emergency.
 - Efficiencies from streamlining services, increasing self-service and removing duplication are not realised. The service review and redesign process will ensure

efficiencies are identified and delivered.

- Information sharing prevents the creation of a rounded (360 degree) view of customers. This will be mitigated using information sharing protocols and the application of informed consent models for access to services.
- Services are too heavily committed on delivering existing services to undergo a service review and redesign. This will be mitigated by capacity planning and the investment needs already built into the business case

Other implications

24. The successful implementation of this transformation project will also enable relevant services to access and use technology which is designed for their business areas and support better alignment with core corporate systems (Finance, CRM, HR and Payroll), in turn supporting better decision making for customer centred service delivery.
25. The project will impact some staff roles across the affected services, including those who will form the basis of the new Customer Service Centre, and will be the subject of staff consultation.

Conclusion

26. This business case is the first to apply the core principles agreed in the Customer Transformation and IT Strategies and will deliver a fundamental change in the way the Councils deliver the services affected, designed with the customer in mind, more efficiently and embracing the Digital world in which we operate. This, in turn, will help with the overall delivery of the councils' strategic themes and priorities.
27. The investment will deliver a significant return, helping to address current and future financial pressures without compromising service quality.
28. Finally, the recommended procurement route will enable the project to move at pace whilst minimising process costs.

Annex A (Confidential): Full Business Case for the transformation of Planning and Regulatory Services

Background papers

- Adopted IT Strategy (Cabinet decision, October 2021)
- Adopted Customer Transformation Strategy and Roadmap (Cabinet decision, December 2021)