

# Business case

## User-centred back office planning system to unlock transformation

### Strategic case

The strategic case was well made in the [original funding proposal](#) and has been strengthened by this discovery phase.

Planning services are dependent on proprietary solutions that are developing slowly and resistant to interoperability.

The market is dominated by just two providers and commercial incentives to support innovation are low.

The practical problems associated with poor quality software create challenges for the effective administration of the national planning system.

Efficient planning software that meets user needs, can be changed rapidly, is based on common and open application and data standards and removes supplier lock-in will stimulate and be a critical component of the future digital planning system.

### Risks

The development of a complete and flexible back office system will need a great deal of ongoing central funding if it is to be able to transform planning services and keep up with continuous developments in the space.

It's essential that this is a collaborative effort amongst many different parties and it will be hard to find councils well enough aligned around systems, processes and culture to work collaboratively.

We may need to introduce a new system that works in parallel to existing systems but not fully integrating with them, resulting in extra work in the short term.

The existing suppliers will continue to be seen as a safe bet for many local authorities, especially given the fact that they also provide modules across multiple services.

### Financial case

Significant ongoing central funding will also be required to establish system and support take-up nationally. The following table contains estimated costs based on previous experience and many assumptions.

	19/20	20/21	21/22	Beyond
<b>Number of Councils engaged</b>	3	3	10	50+

<b>MVP Alpha and Beta</b> Establish MVP service for “simple” applications	£550,000	-	-	-
<b>Full Service Build</b> Discovery, Alpha and Beta to establish full service	-	£650,000	-	-
<b>Live</b> Ongoing enhancements to the service	£200,000	£200,000	£200,000	£200,000
<b>Support and Infrastructure</b> Hosting, support and maintenance contract	£60,000	£80,000	£80,000	£100,000
<b>Product Team</b> Sales, Marketing, Account Management, Customer Support, Product Management	£60,000	£100,000	£130,000	£150,000
<b>Total</b>	<b>£970,000</b>	<b>£1,300,000</b>	<b>£410,000</b>	<b>£450,000</b>

## Assumptions

An initial MVP is created and implemented with a lead council and two partners to handle “simple” applications only.

The same three councils then go on to develop and implement a full service to manage all application types.

Ten councils adopt the system in year 3 with many more the following year.

Central government prepared to invest on account of ongoing savings/cost avoidance rather than a commercial model.

An “internal” core product team created with support by specialist digital services provided by external agencies.

Resulting product made available to other councils license free to reduce barriers to adoption.

## Economic case

Whilst short of the recommended ten options for consideration, we feel confident that we have considered viable options at this early stage. We have a preferred option (Commission MVP) but will continue to explore other options in the Alpha phase.

Option	Description	Pros	Cons
1. Do nothing (BAU)	Maintain the status quo, allowing councils to reprocure from existing suppliers in long cycles.	No cost of developing new service.	Service will not significantly improve.
2. Encourage improvement of existing systems (Minimal)	Share discovery research with existing suppliers and encourage them to take a more agile, user-centered approach.	Minimal investment required in terms of development.  Existing solutions could be adapted with customers	Existing suppliers don't have the capability or capacity to work in a more agile, user-centred way.  Still making money and

		already in place.	winning new customers so little motivation to change.
3. Fund improvement of existing systems	Provide grants to existing suppliers to do above.	As 2 but with less investment required from existing suppliers.	Existing suppliers don't have the capability to work in a more agile, user-centred way.  Public investment in commercial product would be difficult to justify.
4. Commission complete replacement system	Extend Discovery to consider all application types run Alpha and Beta phases to build out entire system to replace existing ones	No dependency on existing suppliers.  IP would sit with public body.  Could fully embrace agile, user-centred approach.	Would involve large up-front investment.  Long learning cycles - higher risk of failure.  "Big bang" implementation would be risky and expensive.  No structure currently in place to support ongoing product development.
5. Commission MVP	Create end-to-end "MVP" to process "simple" applications only	As 4. But also:  Delivers maximum value earlier.  Shorter feedback cycle and faster learning.  Gradual implementation.	MVP would have to run in parallel to existing systems.  Follow-up funding for full service would need to be found.
6. Commission multiple small, stand-alone but interoperable applications	Create a series of small independent applications that improve different parts of the process (e.g. Document management)	Smaller "projects" would reduce risk.  Could target very specific parts of the process.	Wouldn't "transform" the end-to-end service.  Complex custom integrations with multiple existing systems required.

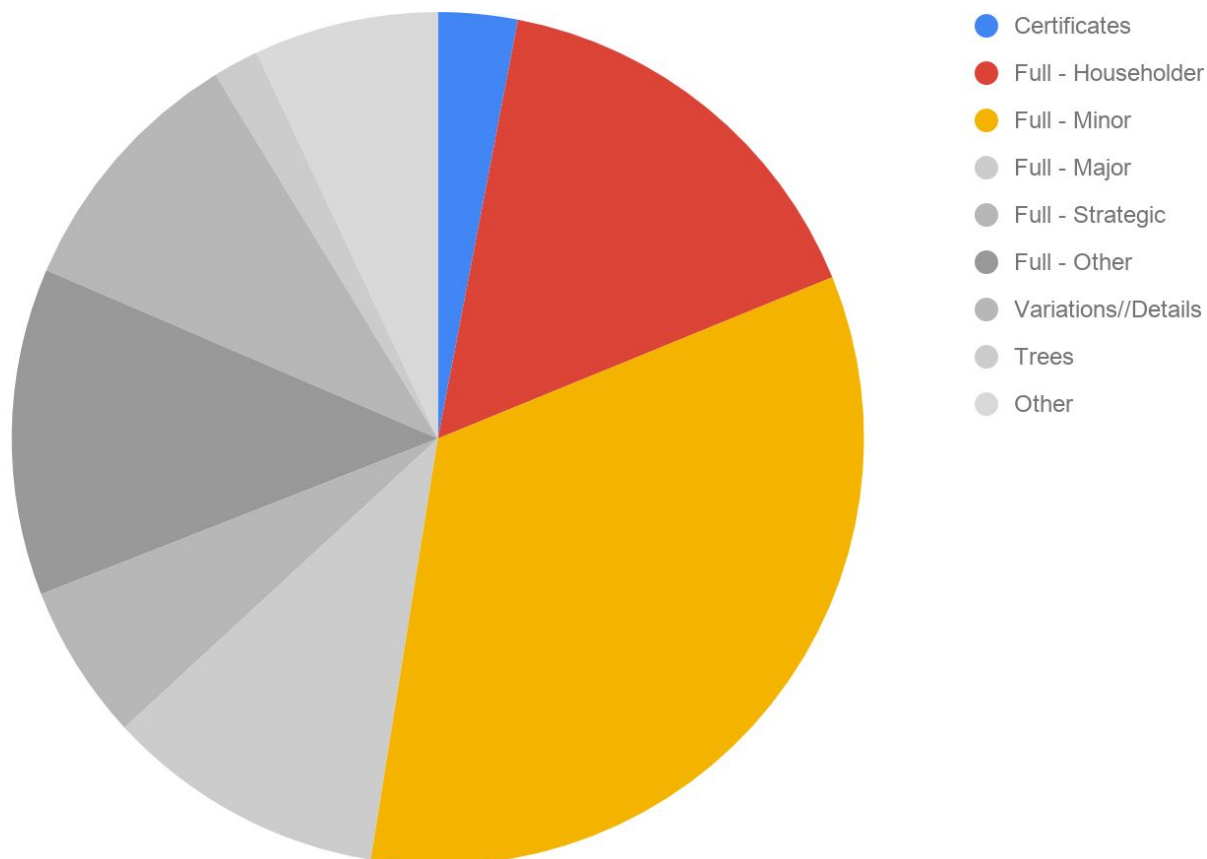
## Preferred option: Commission MVP

### Target applications

The MVP would target the processing of "Simple" applications which account for over 50% of planning officers time and include: Certificates of Lawfulness, Full applications (Householder) and Full applications (Minor, 1-9 dwellings).

An ambitious goal would be to reduce the time spent on these applications by 50% producing an overall time saving of 25%.

## % Time spent by application type



Category	Description	% total applications	Avg. time per application (hours)
Certificates	All certificates of lawfulness	6.80%	1.5
Full - Householder	Householder	15.30%	3.5
Full - Minor	Minor - 1-9 dwellings	16.30%	7
Full - Major	Major	0.60%	60
Full - Strategic	Strategic	0.10%	200
Full - Other	Other minor and change of use	6.00%	7
Variations//Details	Approval of details, reserved matters, conditions, variations, etc	33.20%	1
Trees	All trees	5.90%	1
Other	All other applications	15.80%	1.5

This is based on data from Southwark Council with informed estimates for time spent on each application type. Initial feedback from other councils suggests there will be variations and that the time estimates we used may be low:

- Lambeth** - "We're a "nay" to your times for assessing, we particularly thought the Minor was v. low in terms of time."

- **Redbridge** - “We get a lot of prior approval applications so our %-age [other 37%] is a lot higher for this. I spoke to the officers and we largely agree with the average application times in your table.
- **Tower Hamlets** - Estimate 2x the time for Full - Householder and 3x for Full - Minor.
- **Huntingdonshire** - “I also have some very limited data around contact with the planning service in terms of phone calls and emails received by planning officers. Let me know if you are interested in that.”

## Opportunities

A 50% reduction in time spent on simple applications is ambitious but achievable by:

- Simplifying the validation process and introducing “automation”
- Better management and navigation around supporting documents
- Contextual access to relevant policies and guidance for planning officers during assessment
- Open communication channels between applicants, officers and the public
- More structure for report writing and decision making
- Improvements to data structure to facilitate reporting and “publication”

## Benefits

An MVP system to manage the end-to-end process for “simple” applications and reduce Planning Officer time spent on these applications.

	Southwark	+2 Partner Councils	Nationally
Total applications per year	5,000	15,000	450,000 (FCC)
“Simple” applications per year	1,920	5,760	176,580
Hours spent on “simple” applications	8,892.5	26,677.5	800,325
Current costs	£533,550	£1,600,650	£48,019,500
Approx. cost savings (50% reduction)	£250,000	£750,000	£22,500,000
Approx. cost savings (10% reduction)	£50,000	£150,000	£4,500,000

NB: Estimates are based on an average cost of £60 per hour and assumes the two partner councils are of a similar size to Southwark in terms of application numbers. The National figures are not based on council size but on the total number of planning applications as stated by Future Cities Catapult.

## Estimated development costs for MVP and beyond

An outsourced agile digital team working in alignment with the GDS, Local Government Service Standards and the Local Digital Declaration to create and maintain an open-source (license-free) solution.

MVP (simple applications)	
Alpha	£150,000

Small team prototyping and testing solutions	
<b>Beta</b> Larger team to build the production system	£400,000
<b>Live</b> Flexible team to monitor, test, enhance and develop new features	£200,000 per year
<b>Full system (all applications)</b>	
<b>Discovery, Alpha, Beta</b> Full design and development	£650,000

NB. See Financial case for ongoing costs.

## Current software costs

Councils will need to run the planned MVP in parallel to existing software until the full service is created. The financial case above predicts the full service to be implemented with three councils in 2020/21 before being rolled out to others.

Below is a random sample of information gathered from research and historical FOI requests relating to planning software costs. In some instances, software modules cover multiple services and license fees may remain for those modules.

Council	Planning Software	Transition Cost	Annual Cost
Southwark	Idox Acolaid to Idox Uniform	£400,000	£100,000
Hounslow	Northgate iLAP, iPlan, and iGaz	?	£31,000
Kent	DEF Mastergov	?	£17,140
Central Bedfordshire	Idox Acolaid	?	£125,000
Maidstone	Idox Uniform	?	£14,603
Bexley	Idox Uniform	?	£53,000
South Tyneside	Northgate M3	?	£37,500
Taunton Deane	Idox Acolaid	?	£12,850
Falkirk	Idox Uniform	?	£40,000
Mendip	Northgate Assure	?	£23,000

## Commercial case

It is hoped that funding will be secured from MHCLG's Local Digital Fund to run Alpha, Beta and the first year Live for the proposed MVP.

We anticipate procurement via the Digital Marketplace of a specialist agency to work closely with a joint team from a number of councils: Southwark (Lead); at least one other London borough (hopefully outer-London); and a non-London authority.

Other councils will be engaged throughout the process for research, co-design and testing purposes. This will result in a better product and reduce the risk of other councils not buying into the system in future.

We will create the MVP whilst building internal capability and sense of "ownership", fostering a sustainable culture around product development.

The core product team may be funded centrally but will have members from within multiple local authorities.

Additional funding and procurement will be required to support the system, extend it to manage all other types of planning applications and promote it to other councils.

## **Management case**

Each phase (Alpha, Beta) will be delivered according to agile and user-centred principles and assessed according to GDS/Local Government Service Standards before proceeding to the next phase with the option to cancel the project at any stage if appropriate.

This Discovery phase was successfully passed by an assessment panel from the GLA and GDS on Thursday 25th April 2019. The report will be made publically available on the [LocalGovDigital website](#) week beginning 29th April 2019.