BABERGH DISTRICT COUNCIL

FROM: Director of Corporate Services **REPORT NUMBER J19**

TO: STRATEGY COMMITTEE **DATE OF MEETING: 7 May 2009**

LAND AND PROPERTY SYSTEMS MODERNISATION – SAVINGS AND FUNDING

1. PURPOSE OF REPORT

1.1 The report provides a reminder and status report of the project being undertaken to make major improvements to the quality and usability of our land and property information and the benefits the project (known as LAMP) will provide. Detailed information about LAMP is contained in section 5.

1.2 It identifies differences to expected savings predicted within the original business case due to changing circumstances, and seeks additional funding to cover modifications to work required to convert information relating to various historical planning applications to accurate electronic information.

2. RECOMMENDATION

2.1 That the latest assessment of savings and the reasons behind these are noted.

2.2 That the investment of a further £71K capital be approved to modify the process adopted for the conversion of planning applications.

2.3 That this funding be found through an estimated £40K saving within the ICT capital budget in 2009/10 with the remainder being found through a review of the final expenditure position on the overall capital programme for 2008/9.

The Committee is able to resolve these matters.

3. FINANCIAL IMPLICATIONS

3.1 The original business case for the project identified a cost of £1.01M with estimated savings of £165K pa, of which 50% was expected to be cashable.

3.2 The impact of legislative changes to processes has reduced the estimated saving to £105K pa.

3.3 During the current economic downturn where there is a reduced volume of land charge searches and planning applications, these estimated savings will reduce further to £46K pa. This situation is likely to persist until 2011.

3.4 Changes to the work required to capture certain information from historical planning applications will incur an additional cost of £71K. If this expenditure is not forthcoming, the savings above will reduce from £105K pa to £40K pa in the “normal” economic situation in 3.2 above. In the economic downturn identified in 3.3, savings will reduce from £46K pa to £16K pa.

3.5 On the assumption that all savings within the project are 50% cashable, then the £71K is recouped in just over 2 years within the normal economic situation. Within the economic downturn situation, and assuming this lasts 2 years, then the payback is around 3.5 years.

4. RISK MANAGEMENT

4.1 This report links to Corporate Business Risk No. 7 – Financial, Performance and Risk Management, Risk No. 8 – Efficiencies & Savings, and Risk No. 9 – Management of Major Programmes and Projects. Key risks are seen as:-

Risk Description	Likelihood	Seriousness or Impact	Mitigation Measures
Additional funding is required over and above the £71K	Low	Marginal	Additional work will be fixed price and there are only a few other work activities to undertake. The likelihood of issues arising in those areas is very low (based on significant work completed with only minimal issues).
The savings forecast for the project are not realised.	Low	Marginal	A significant part of the predicted saving has already been built into the Corporate Services budget. Achievements so far show beneficial process savings that were not quantified in the original business case.
The economic downturn lasts longer than expected and hence reduced savings occur for a longer period	Significant	Critical	This is outside of Babergh's control. Because LGR is expected within the next 2 – 3 years then the impact could be seen as Marginal as LAMP staff savings are less critical than overall staff savings within a new structure.
Integrity of land and property systems and project investment undermined by incomplete conclusion of work.	Significant	Critical	The £71K addresses this risk. Otherwise there is a high likelihood that our land and property systems and related processes work on inaccurate and incomplete information.

5. KEY INFORMATION

Background to LAMP

5.1 The Land and Property Modernisation Programme (LAMP) is a national initiative designed to assist Councils in improving the handling of the land and property information that they hold and process, and on which many decisions are taken. One of the key focuses is to provide automated responses to Land Charge Search requests to speed up the processing of house purchases.

5.2 As with other Councils, over 80% of all information processed by Babergh is land and property related, and in addition to Land Charges many other areas benefit from improvements in the handling of this information, for example, the planning process, building control inspections, and the local development plan.

5.3 Such information needs to be accurate, complete, and properly managed, and to be consistent across systems to improve efficiency as well as ensuring that decisions are taken based on a proper analysis of the facts.

5.4 Because a large amount of land and property information held within Babergh has historically been on paper, this has prevented progress towards accurate, consistent and shareable information. The LAMP project was designed to convert to electronic format the majority of this information, as needed for automatic land charge searches and processing planning applications, for example, and in the process ensure the quality and consistency of this information was of paramount importance.

5.5 In addition, because a large amount of land and property information is best used and understood when represented by an electronic map, a modern Geographic Information System (GIS) was needed to ensure that the information could be used in the most effective way.

5.6 A business case / project initiation document (PID) was produced at the end of 2006 covering the above, and this was agreed through the e-Government Steering Group (now the Information Management Task Group) on 3rd November 2006 (report EG11c), Strategy Committee (report F144) on 11th January 2007, and full Council on 26th February 2007.

5.7 This business case focused on a series of qualitative benefits that the project would provide for the management of our land and property information in the future. This was supplemented with an estimate of savings that should be expected once the project had been completed based on a set of more specific process improvements that the project would provide.

5.8 Some of the qualitative benefits that are expected from LAMP, several of which have already been realised, are listed below. It should be noted that no specific savings were included in the original business case in relation to these benefits. This was because such benefits would be largely within the area of improved information sharing and information quality, together with future opportunities for better use of information. It was not possible to quantify such savings with any degree of certainty, and it was always expected that the LAMP environment would provide a springboard for many such savings in the future.

- The ability to use sophisticated electronic map-based information to display information or undertake various analyses, such as:-
  - Impacts of council policies (such as addressing anti-social behaviour) on affected locations.
  - Sharing ward information with other services – e.g. Primary Care Trusts, other Councils, and the police to identify common issues and monitor the effect of strategies that address these.
  - Providing information to our citizens, such as finding the nearest doctor's surgery, school, leisure facilities etc.

- Enabling accurate information to be maintained relating to all addresses within the district in line with central government requirements to support the national address database and for use by the emergency services.

- Maintaining central control over addresses, both for accuracy and efficiency, and sharing address information between internal systems to avoid customers having to tell various departments of address changes.

- Providing an accurate list of properties within the Babergh District to support the joint Waste collection contract with Mid-Suffolk. This was not previously possible, but is now available. A new list can be produced in less than 30 minutes and has greatly benefited areas such as round changes.

- Ensuring the IT systems used conform to common standards to allow wide sharing of information, where allowable, with national initiatives such as the Digital National Framework. This benefit will be particularly important within Local Government Review (LGR) as it will allow easy transfer of land and property information with other Suffolk Councils rather than having to undertake lengthy, resource consuming conversion exercises.

5.9 Specific quantitative process savings centred on three main areas – Land Charges, Development Control and Building Control, and the savings were estimated based on a number of high volume processes that were employed in recording and checking land and property information. The savings estimates within the three key areas were as follows:-

- Land Charges & LLPG £68K savings pa
- Development Control £40K savings pa
- Building Control £50K savings pa

5.10 In addition to these estimated savings of £158K pa, there were a few other savings spread across processes within the organisation, such as tree preservation orders, enforcement notices, Section 106 agreements etc., which amounted to £7K pa and which brought the total estimated savings to £165K pa. It was expected that 50% of the savings would be cashable.

5.11 MacDonald Dettwiler Associates (MDA) had been awarded the consultancy work for the LAMP programme through a central government procurement process, and contract negotiations were concluded with them at the end of 2007. Work commenced on the project in early 2008. The total cost of the project was £1.01M, and it was expected that the project would take between 18 months and 2 years.

Current Status

5.12 The project has been running for 16 months, and is expected to be completed around the beginning of August 2009. Key milestones have been reached, and these have included:-

- The introduction of a modern Geographic Information System (GIS) to provide a map-based view of land and property information.

- The upgrading of existing software tools so that they integrate directly with this map-based information. In addition to some of the qualitative benefits indicated in 5.8, this includes.

- Loading floodplain information into our systems – new mechanisms have now enabled this activity to be reduced to a 30 minute task when previously it took 4 weeks.

- Providing access to bridleway and footpath information supplied by Suffolk CC. This information is now immediately available within the Development Control process rather than having to be checked on paper maps.

- The ability to provide accessible up to date information for Emergency Planning (ATLAS) purposes. This is now available when previously our existing systems were unable to provide such information to other agencies involved in any emergency that Babergh was required to control.

- Economic development activities can now make use of the GIS tools to easily produce diagrams of industrial areas when previously these had to be drawn from scratch.

- All staff now have access to mapping information, including aerial photographs, to assist them in their job and in helping the public with enquiries. Previously, this facility was limited and only available to a small number of users.

- Enabling neighbourhood searches to be conducted automatically as part of the planning application consultation process.

- Automatic population of fields within IT systems resulting in less data entry by staff.

- The conversion of paper-based information to electronic format. Currently, around 100,000 textual records alongside a similar number of property polygons have been converted, including:-

  - Development Control Consents (1974 – 1986).
  - Section 106 agreements
  - Building regulations
  - Dangerous structures
  - FENSA records
  - Competent persons records
  - Build over sewer agreements
  - Adopted and Interim local plans
  - Suffolk Structure Plan
  - Suffolk minerals and waste plan
  - Conservation areas
  - Tree preservation orders
  - Listed buildings

5.13 Although the qualitative benefits will still be delivered, there have been changes to the specific quantitative savings identified in the original business case and summarised in 5.9 / 5.10.

5.14 Firstly, some of the processes that were measured as part of the original business case have had to change as a result of ways of recording information imposed by central government. This has impacted both Building Control and Development Control already, but the additional work has been absorbed by the current staff without seeking additional resource. However, these changes need to be fed into the revised business case as the impact provided by LAMP will change. The main changes here are:-

- The need to fully record Building Control "competent persons" applications, which has led to an originally predicted saving of £50K now being an additional cost of £3K.

- Changes to the planning application recording process, which has led to an originally predicted saving of £40K now reducing to £32K.

5.15 With some minor changes to other processes, this has resulted in the overall predicted savings reducing from £165K pa, as identified in the original business case, to £105K pa now.

5.16 Secondly, because of the economic downturn the numbers of land charge searches and planning applications have significantly reduced. Because savings are calculated as the product of process times and the volume of transactions invoking those processes, then predicted savings have reduced. Land charge searches have been particularly hit by the use of personal search agents. Personal search agents are able to inspect public registers and provide information to house buyers at a lower cost (£11) than an official standard search through Land Charges (£139). Although these personal searches are not as comprehensive and legally binding as the officially regulated search process conducted by the Council, house buyers have used this method to save money during the purchasing process. The combined impact of the above has resulted in the reduced savings prediction of £105K pa in the previous paragraph being reduced further to £46K pa. This drop of £59K pa is largely made up of a reduction of £47K pa within land charge searches, together with a reduction of £12K pa within planning applications.

5.17 It should be noted that this position is expected to persist until the economic downturn recovers, and therefore is predicted to last until 2011.

5.18 Thirdly, one of the mechanisms for converting and cleaning a specific set of paper-based information has been based on an incomplete understanding of the changes to processes used to create such information in the past.

5.19 The issue revolves around the way in which the site area shown on location plans submitted with planning applications has been recorded or plotted.

5.20 Between 1986 and 2003, when Babergh first used an IT system to administer planning applications, the site area for each and any subsequent application on the same site was recorded as a series of overlays or "onion rings". In this way it was possible to capture any minor variations in the site area without the need to undertake a new "plot" for each and every subsequent application and produce a comprehensive planning history with comparative ease.

5.21 While this process enabled the initial registration process to be undertaken efficiently, it is evident that the historic method of recording does not meet the requirements of the LAMP project. It is therefore necessary to revisit some of the historic data to unpick the overlays to produce more reliable and useable data.

5.22 In order to overcome this issue, there will be an additional cost of £71K to get MDA to capture the data in a new way requiring their sub-contractors to undertake additional work. If this expenditure is not forthcoming, then some of the predicted savings will fall further. This is summarised in the table below:-

Economic State	Revised savings as per 5.15 / 5.16 above	Revised savings if the issue in 5.19 is not addressed
Normal Economy	£105K pa	£40K pa
Economic Downturn	£46K pa	£16K pa

5.23 In terms of payback, therefore, within the normal economic situation the benefits of the additional investment of £71K will be an increase of £65K pa in savings (£105K pa - £40K pa) compared to if the issue is not addressed. On the assumption that all savings within the project are 50% cashable, then the £71K is recouped in just over 2 years. Taking the economic downturn situation, and assuming this lasts 2 years, then the payback is around 3.5 years.

5.24 An alternative approach is to continue with the project collecting historical information relating to planning applications in the way that was originally planned, and once the project is implemented start to address these anomalies on a case by case basis. This would involve data capture work as each planning application arose, with the possibility of also running a small amount of background data capture work to try to make inroads into all of the planning applications. With 43,000 planning applications to address over the period in question (1986 – 2003), it is estimated that it would take around 3 years to undertake such capture of information, and during that period savings would remain at the low level indicated in the table above.

5.25 This option is not recommended as undertaking such work as a background activity is likely to be frequently overtaken by other priority items and will not be able to -receive the necessary attention.

5.26 A similar option is to wait for LGR and pass the situation to the new Council. The amount of work that will have to be undertaken will still be the same with the new Council as it relates to capturing a complete set of planning application boundary details in electronic format. This option has been discounted on the grounds that it will be more effective to hand over an accurate set of electronic information to the new Council, and this has been an expressed aspiration of Babergh. If LGR does not go ahead, then there will be a requirement for Babergh to deal with this issue itself anyway.

5.27 Options to terminate the project are not recommended or practical, as the majority of the key benefits of the project will have been delivered, and terminating will still incur most if not all of the original project costs and will not deliver the full benefits.

Realising the Savings

5.28 As stated earlier, all of the figures shown as savings were expected to be around 50% cashable. Because the whole of the business case has been based on a comprehensive desktop exercise to quantify savings where possible, there may be some justifiable concern that any savings will result in redeployment elsewhere and will not lead to real cost reductions.

5.29 In order to allay this concern and demonstrate hard savings that will be guaranteed if the investment of £71K is made, the following is in the business plan for Corporate Services:-

- A planned further restructure of the Information and Projects Section to allow flexible use of resource within Land Charges to cope with additional activities such as increases in information management and security requirements and Freedom of Information requests, and to consolidate GIS resource within a central team. The net impact of this is £10K pa cashable saving and £22K pa non-cashable saving (i.e. £32K pa savings). For 2009/10, this provides all of the predicted LAMP savings in an economic downturn as this saving will be achieved within the 8 months after implementation.

- When searches recover to their 2006/7 volumes, the cashable savings which have already been made due to the reduction in staff because of reduced volumes will remain because there will not be a requirement to increase staff back to 2006/7 levels. The LAMP project will have maintained that cashable saving because of the efficiencies it has introduced into the process. In terms of the savings above, this results in the realisation of £22K pa cashable savings due to LAMP, and consequently adds up to £32K pa cashable and £22K pa non-cashable.

6. APPENDICES

Appendix A – Glossary

7. BACKGROUND PAPERS REFERRED TO:

a) The LAMP PID (Business Case).

b) Paper F144 to Strategy Committee (11/01/2007) and subsequently to full Council (26/02/2007).

CONTACT: Robert Lavell **EMAIL:** Robert.lavell@babergh.gov.uk
Information Management and Technology Manager

Appendix A – Glossary

ATLAS	A system used for Emergency Planning purposes to enable actions being undertaken to be logged, and for map information to be displayed.
Competent Persons Scheme	Competent person schemes were introduced by central government to allow individuals and enterprises to self-certify that their work complies with the Building Regulations as an alternative to submitting a building notice or using an approved inspector.
Digital National Framework	This is an industry standard for integrating and sharing business and geographic information from multiple sources. In order for this to work effectively, systems must be able to handle many different formats of information and comply with common standards.
FENSA	The standard for door and window replacements. All work of this nature on properties must have a certificate from a company registered under this standard.
GIS	Geographic Information System. In simple terms this is a computer system that is capable of assembling, storing, manipulating, and displaying geographically referenced information (i.e. spatial data / maps).
LAMP	Local Authority Modernisation Programme. A central government sponsored service to provide consultancy and managed-service facilities to enable Local Authorities to move forward within the NLIS programme, and additionally to integrate land and property information / systems / processes.
LLPG	Local Land and Property Gazetteer. This is a central database of all land and property within the Babergh district and which will be used to feed all Babergh systems that use land and property information. There is a requirement for Babergh to send regular updates from our LLPG to the (national) NLPG database.
LGR	Local Government Review
MDA	MacDonald Dettwiler (Associates). The organisation that has been awarded the national contract for improving Local Authorities' land and property systems, in particular the automation of Land Charge searches.
NLIS	National Land Information Service. This is a central service for improving the efficiency of Land Charge searches through various phases of automation. NLIS Level 3 is a fully electronic end-to-end process for submission of requests and receipt of results.
NLPG	National Land and Property Gazetteer. This is a central government agency maintained database of land and property across the UK and Babergh is required to send regular updates relating to changes within its LLPG to maintain the accuracy of this database.
PID	Project Initiation Document. Often combined with a business case to identify the rationale for undertaking a project, and the implications (including financial impacts).
Polygon	The many-sided geometric figure representing the boundary of a piece of land or a property.