



Subject:	Physical Programme Update
Date:	24 th April, 2020
Reporting Officer:	Sinead Grimes, Director of Physical Programmes Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of Main Issues
1.1	The Council's Capital programme is a rolling programme of investment which either improves the existing Council facilities or provides new Council facilities. This provides an update on the impact of Covid 19 on the capital programme; seeks approval to move projects to the next stage of project development process, and provides an update on other projects on the capital programme.
2.0	Recommendations
2.1	The Committee is requested to –

	<ul style="list-style-type: none"> Note the update on the capital programme in relation to Covid-19 and that further updates will be brought forward as the situation progresses and implications understood; <p>Proposed movements</p> <p><i>IT Programme</i></p> <ul style="list-style-type: none"> <i>Replacement of the NI Planning Portal system</i>— note that a satisfactory tender return has now been achieved and that it is recommended that a maximum £995,000 is now allocated to this project, subject to the Department of Infrastructure and a minimum of 10 Planning Authorities/Council's agreeing to the award of the contract by June 2020, and satisfactory scrutiny of the full costs model by officers. The Director of Finance & Resources has confirmed that this is within the affordability limits of the Council. <i>Financial Replacement System</i> –agree to move to Stage 2-uncommitted project, with an Outline Business Case to be worked up. <p>Project Updates</p> <ul style="list-style-type: none"> <i>Replacement HR/Payroll/Time and Attendance System</i> – approve the additional allocation as outlined in 3.8/3.9
3.0	Main report
3.1	<p>Capital Programme 2020/2021 - Covid – 19 impact</p> <p>The Council's Capital Programme is a rolling programme investment which either improves the existing Council facilities or provides new Council facilities. The Council's Capital Programme is normally presented to Committee on a yearly basis for approval and the Council's Capital Programme was due to be presented to SP&R this month. Members will however recognise that the current Covid-19 pandemic has had an impact on the construction industry with the majority of contractors temporarily stopping works on site across the city. An on-going analysis is being carried out by the Physical Programmes Department, working closely with Financial Services and Legal Services, on the impact the pandemic on the Council's wider Physical Programme including capital programme projects and those that we are delivering on behalf of other agencies including -</p> <ul style="list-style-type: none"> Financial implications: all projects will have 'slippage' in terms of project spend to a later timeline. Until we know when it will be possible for works to resume, providing specific re-profile expenditure will not be possible, however 2020/21 Quarter 1 profiles have been revised. In terms of potential additional costs risks, we are working with contractors and suppliers however until works commence back on site, exact costs will not be known. The Council has already requested whether any additional costs e.g. additional site

insurance costs will be covered by the Local Government Scheme for Financial Assistance and is awaiting confirmation on this

- Delivery programme delays and any legal implications: 12 projects have external funder legal agreements/ Letters of Offer in place, which have specific project completion and spend timescales. An external partner action plan is in place and officers are actively working with partners including DFC, Urban Villages, HLF and SIF on assessing these implications. A letter recently received from the Department of Communities Permanent Secretary to SOLACE on behalf of central government, recognised the exceptional circumstances faced, in terms of capital projects delivery, and highlighted that a flexible approach would be looked at on a project by project basis.

3.2 In terms of projects that are not yet at construction stage officers are continuing to progress project development activity to help ensure not only a continued pipeline of projects/continuity of service, but also as a contribution to the pipeline of work for consultancy businesses.

Members are therefore asked to note that further updates will be brought forward as the situation progresses and implications understood, including and an overall update on a 2020/21 Capital Programme.

Proposed Movements – Capital Programme

3.3 Members have previously agreed that **all** capital projects must go through a **3 Stage process** where decisions on which projects progress are taken by SP&R. This provides assurance as to the level of financial control and will allow Members to properly consider the opportunity costs of approving one capital project over another capital project. **Members are asked to agree to the following movement on the Capital Programme**

Project	Overview	Stage
IT Programme – NI Planning Portal	DfI-led regional project to replace the current Northern Ireland Planning Portal with another shared regional IT system. Maximum of up to £995,000 to be allocated	Stage 3 – Committed Tier 2 - Scheme underway
IT Programme - Financial Replacement System	A new finance system that will provide the infrastructure to facilitate improved medium term financial planning as well as meet the councils statutory reporting responsibilities	Move to Stage 2 - Uncommitted

3.4 *NI Planning Portal system*

In March 2019 SPR Committee received a report seeking Council support for the DfI-led regional project to replace the current Northern Ireland Planning Portal with another shared regional IT system. It was agreed that the Council would support this project subject to:

- the capital cost to Local Government being split evenly between the 11 councils with the operating costs to be determined in the context of the contract awarded (as agreed by SOLACE);
- the regional project demonstrating clear and robust progress – this includes commitment from all Council by April 2019;
- BCC being part of the first wave of councils to implement the new IT system; and
- BCC taking a lead role in the project.

Please refer to the NI Planning Portal detailed update report also tabled.

3.5 The project has progressed, with Tender procurement for a supplier and Full Business Case now completed, and Council taking a lead in the project so far. 11 councils did sign up to the previous phase of the project which committed them to the procurement process but not to the final award of contract. With the completion of the supplier procurement exercise DfI is seeking agreement from each Council on its contribution to how the project will be jointly funded. Cost information for 2 scenarios has been produced which outlines cost implications if all 11, or 10 Councils sign up – please see below table. If the number of Council's in agreement to proceed, on the basis of costs as per FBC, falls below 10 it is not considered a viable project.

	Scenario 1 – 11 Councils	Scenario 2 – 10 Councils
Capital (Dev't) costs Split across councils	£911,000	£995,000
Operational costs <i>Based on % Planning fee income over previous 3 years (excl 19/20)</i>	£1,004,000	£1,067,000
Total	£1,915,000	£2,062,000

3.6 In terms of capital investment, **it is recommended that a maximum £995,000 is now allocated to this project, subject to the Department of Infrastructure and a minimum of 10 Planning Authorities/Council's agreeing to the award of the contract by June 2020, and satisfactory scrutiny of the full costs model by officers.** The Director of Finance & Resources has confirmed that this is within the affordability limits of the Council. **The financing of the portal will be over 20 years with approximately £600k being paid in the first two years.** Members are asked to note that it is recommended that Committee agrees to progress with the project now as the contract for the current system will end at the end of December 2021 and the need to replace it with a new IT system is a critical service risk and business necessity, in terms of addressing its current weaknesses (e.g. inability to receive/process online applications) and deliver an excellent planning

	<p>service. This is in line with all recommendations as outlined in the NI Planning Portal detailed report (as tabled).</p>
3.7	<p><i>Financial Replacement System</i></p> <p>The Council has reviewed the ongoing requirements of its current financial system with the emerging outcome to replace the current system with a modern Financial System, which will enable streamlined, efficient processes, deliver accurate financial data, and provide seamless integration into and from other solutions. This offers the potential to reduce the number of systems that the council currently supports and the number of interfaces it manages. In order to further work up the detail and implications, it is recommended, under the Council's IT Programme and within capital programme approval process, this project moves to a Stage 2 –Uncommitted project with OBC to be worked up and outcome reported back to Committee.</p>
3.8	<p><i>Replacement HR/Payroll/Time and Attendance System</i></p> <p>Members are reminded in August 2018 SPR committee agreed to a new Replacement HR/Payroll/Time and Attendance system as a Stage 3-Committed project on the capital programme - the company who had been providing the Council HR and Payroll system, advised that they would no longer be developing this product, withdrawing licences and software updates. This had implications around supporting legislative changes and paying staff. A maximum £328,910 budget was allocated to this project.</p>
3.9	<p>This has been a major IT implementation project and is being developed on-site via a dedicated project team in order to maximise knowledge transfer and future-proof any potential developmental requirements. The project has been impacted during the delivery phase by further legislative requirements e.g. a requirement to transfer payroll history (new requirement by NILGOSC) and the requirement necessitated by the Average Holiday Pay (AHP) agreement which has required additional consultancy days and further training and further bespoke requirements e.g. the need to develop a separate NICS pension module for Planners who transferred from central government. These were not accounted for during the original scope of the project and given the business need to ensure implementation of the full system it is recommended that a further £64,000 is now allocated to this project in order to finish out the implementation of the system. The Director of Finance and Resources has confirmed that this is within the affordability limits of the Council given the business critical need and statutory requirements.</p>
3.10	<p><u>Financial & Resource Implications</u></p> <p><i>Financial –</i></p>

	<ul style="list-style-type: none"> – NI Planning Portal – up to a maximum of £995,000 – Replacement HR/Payroll/Time and Attendance system – additional £64,000 due to additional system requirements. <p>The Director of Finances and Resources has confirmed that both are within the affordability limits of the Council.</p> <p><i>Resources –</i></p> <ul style="list-style-type: none"> - <i>NI Planning Portal:</i> As per detailed report also tabled, Council is represented on the Planning Portal Governance Board by the Planning Manager and Head of Digital Services. In terms of the core project team, it is to be restructured from 20 April 2020 and 1 x PO4 (BCC Senior Planning Officer) is to be seconded to the project for the next two years in the Business Lead role. The Council will continue to pay for this officer's costs although these will be recharged back to the project. - <i>Replacement Finance System</i> will require officer time to work up an Outline Business Case
3.11	<p><u>Equality or Good Relations Implications/ Rural Needs Assessment</u></p> <p>All capital projects are screened as part of the stage approval process.</p>
4.0	<p>Appendices – Documents Attached</p>
	<p>None</p>