HAVANT BOROUGH COUNCIL
PUBLIC SERVICE PLAZA
CIVIC CENTRE ROAD
HAVANT
HAMPSHIRE P09 2AX

Telephone: *023 9244 6019*
Website: *www.havant.gov.uk*

Tuesday, 12 December 2023

SUMMONS

Dear Councillor

You are requested to attend the following meeting:

Meeting: Cabinet

Date: Wednesday 20 December 2023

Time: 6.00 pm

Venue: Hurstwood Room, Public Service Plaza, Civic Centre Road, Havant, Hampshire PO9 2AX

The business to be transacted is set out below:

Steve Jorden
Chief Executive

CABINET MEMBERSHIP

Chairman: Councillor Rennie (Chairman)

Councillors Robinson, Bowdell, Bowerman, Fairhurst and Lloyd

Contact Officer: Jenni Harding 02392 446234
                 Email: jenni.harding@havant.gov.uk

AGENDA

Page

PART 1 (Items open for public attendance)

1   Apologies for Absence

To receive and record any apologies for absence.

2   Declarations of Interests

To receive and record any declarations of interest from members present.

PART 2 (Confidential items - closed to the public)

12   Exclusion of the Press and Public

The Cabinet is asked to consider whether to pass a resolution excluding the public from the meeting during consideration of any of the items on the agenda. If members wish to do so then this could be achieved by passing the following resolution. Members are not <u>required</u> to pass the resolution but the Solicitor to the Council recommends this as to the item set out below.

That the public be excluded from the meeting during consideration of the item headed and numbered as below because:

(a)   it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item there would be disclosure to them of exempt information of the descriptions specified in paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 shown against the heading in question; and

(b)   in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Item 11

Paragraph 3.

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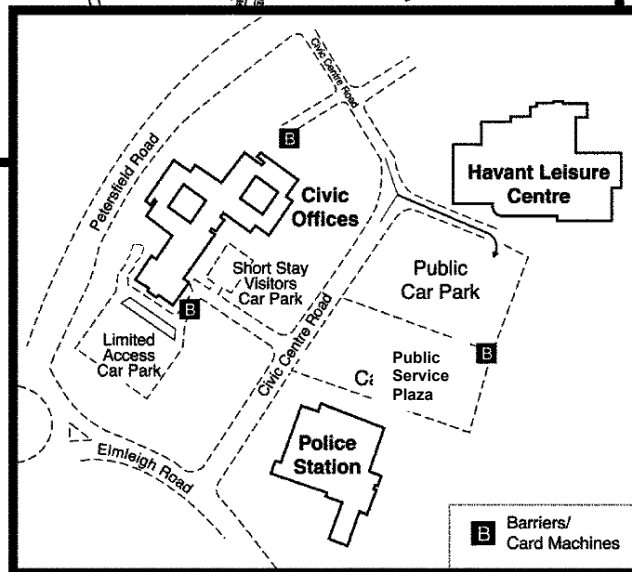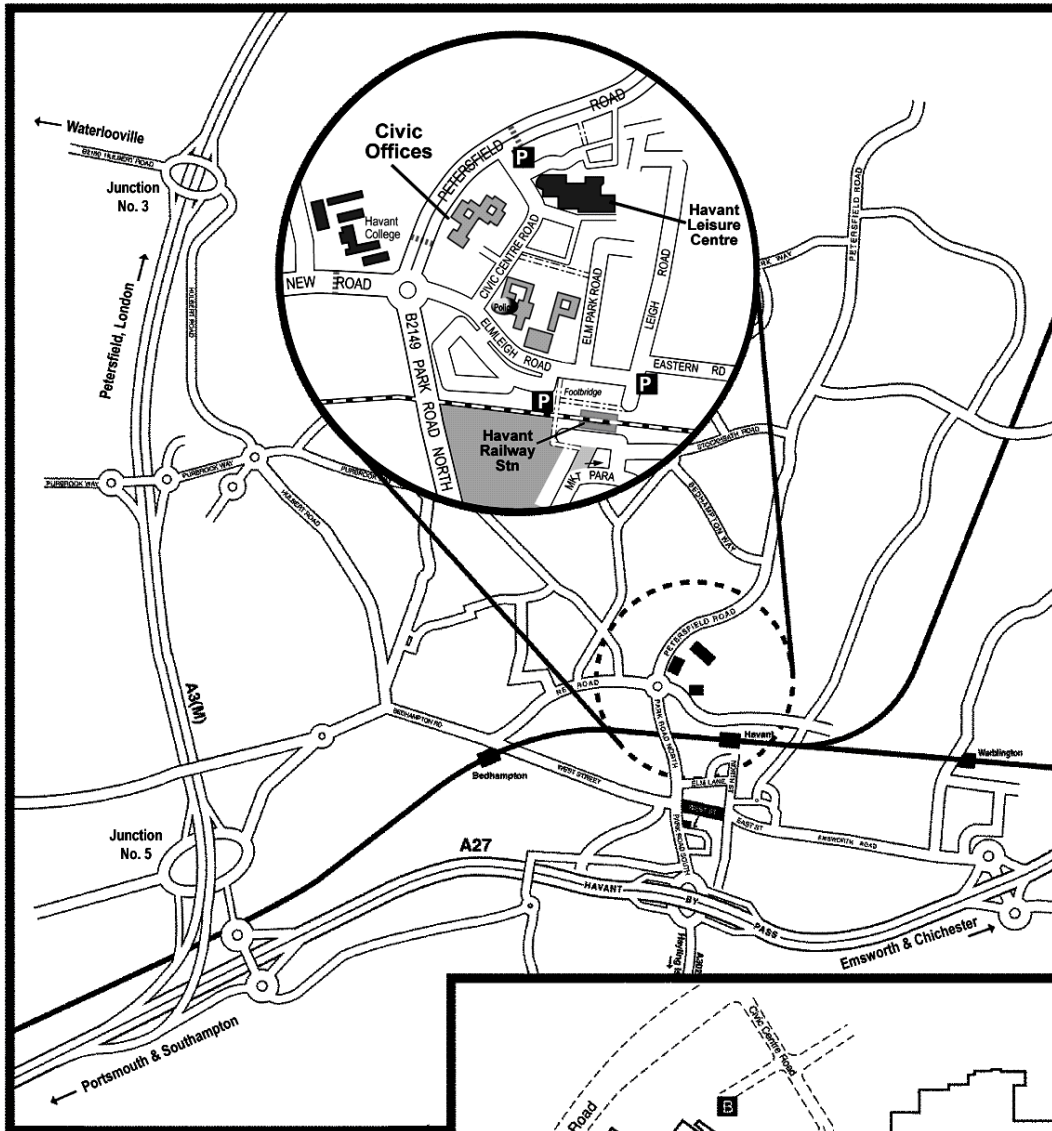
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HAVANT BOROUGH COUNCIL

At a meeting of the Cabinet held on 8 November 2023

Present

Councillor   (Chairman)

Councillors Rennie (Leader of the Council), Robinson, Bowdell, Bowerman and Lloyd

Other Councillors Present:

Councillor(s):

35   Apologies for Absence

Apologies for absence were received from Councillor Fairhurst.

36   Declarations of Interests

There were no declarations of interest from members present.

37   Minutes

The minutes of the last meeting of Cabinet held on 06 September 2023 were agreed as a true record.

38   Chairman's Report

The Leader notified members about a Waterlooville Vacant Shop Scheme.

The main shopping precinct in Leigh Park, (Park Parade and the Greywell shopping centre) currently has 12 vacant units, which represents around 14% of all the shops in that area. Some of these are large units that have been empty for some time. The Council recently promoted a vacant shop scheme for Waterlooville of which we had 30 applicants demonstrating that there was a call for this type of support to stimulate growth. I am announcing today a similar initiative for the Leigh Park Shopping Centre whereby we are inviting applications from new businesses to the area, or for existing businesses who wish to expand into larger premises.

Currently 20% of all the retails units within the shopping area are related to provision of hair and beauty services. The Council, through this initiative, will be seeking bids in particular from retail, leisure & arts, entertainment and healthcare to try and encourage a more diverse offer for shoppers.

The size of the pot that can be bid for is £150,000 and details of how businesses can bid for this money will be released shortly. The Council intends to fund this from the specific Regeneration reserve and there will also be a requirement for a resource to manage this programme. Because this is capital

scheme is being funded from reserves it will require onward approval at Full Council, and a report on this will be presented on the 22 November 2023.

39   Councillor Questions under Standing Order 68.3

There were no questions put to Cabinet by Councillors under the provision of this standing order.

40   Matters referred by Full Council or the Overview & Scrutiny Committee Under Standing Order 68.7.3

There was 1 matter for Cabinet to consider under the provision of standing order 68.7.3. This matter arises from the meeting of Full Council held on 20 September 2023 and relates to a motion regarding Making Space.

A motion proposed by Councillor Robinson to agree the recommendations as set out in the published report, was seconded by Councillor Lloyd.

Questions and points of clarification raised by Councillor Philippa Gray on behalf of Councillor Redsull were responded to by Councillor Robinson within the meeting.

Cabinet discussed the motion, including the options available, and Councillor Rennie reiterated that this was a recommendation to Council.

Following a vote, it was

RESOLVED that

Cabinet recommend to Council to:

  a) decline funding for Making Space but reiterate the offer to support the organisation with assistance in kind.

  b) recommend to Making Space that they bid for funding direct from the South Western Railways funding for local communities, and other funding bodies. Reiterate the offer to support the organisation with assistance in kind, including supporting the application process if necessary.

41   Cabinet Lead Delegated Decisions, Minutes from Meetings etc.

The minutes of meetings as set out in the agenda were noted.

42   Town Twinning

Councillor Rennie, as Leader of the Council, introduced a report that proposed Havant Borough to twin with Yavoriv Raion Council.

A motion was proposed by Councillor Rennie and seconded by Councillor Bowdell to adopt the recommendations for the reasons set out in the report which outlines some shared attributes that Yavoriv Raion council has with

Havant Borough ie its military background and both being similarly sized councils.

Cabinet discussed the motion in detail, including the options available to Cabinet. Councillor Rennie and officers responded to questions raised.

It was therefore,

RESOLVED that the Borough Council agree the proposed town twinning between the Council and Yavoriv Raion Council (Асоціація побратимів) and that the Leader shall facilitate the union.

43   Strategic services commissioning – resources to implement

Councillor Bowdell, as relevant Cabinet Lead, introduced a report which recommends a drawdown of up to £1,328,800 from the Council's reserves to be used over a three-year period to enable the strategic commissioning of services, systems and software across the council.

A motion was proposed by Councillor Bowdell and seconded by Councillor Robinson to adopt the recommendations for the reasons set out in the report.

Cabinet discussed the motion in detail, including the options available.

Following a vote, it was

RESOLVED that Cabinet

1. approve the strategic commissioning of services, systems and software across the Council through a hybrid delivery model utilising both specialist external support and internal resource.

2. Cabinet recommends to Council to:

    a) Approve the transfer of £1,328,800 from the Council's central reserves to a ringfenced reserve created for the strategic commissioning of services, systems and software across the Council; and

    b) Approve the draw down of up to £1,328,800 from the ringfenced reserve to be used for the strategic commissioning of services, systems and software across the Council.

44   Update of Capital Strategy

Councillor Bowdell, as relevant Cabinet Lead, introduced a report outlining a misalignment that exists between the Community Infrastructure Levy (CIL) Spending Protocol that was adopted by the council in March 2022 and the Capital Strategy which was adopted by the council in March 2023. The report recommends that the Capital Strategy be amended to provide clarity on CIL spending decisions.

A motion was proposed by Councillor Bowdell and seconded by Councillor Bowerman to adopt the recommendations for the reasons set out in the report.

Cabinet discussed the motion in detail, including the options available.

Following debate, it was

RESOLVED that

Cabinet recommend to Council that:

a) the Capital Strategy be amended to confirm that CIL spending decisions are governed by the separate CIL Spending Protocol March 2022;

b) authority be delegated to the Chief Finance Officer to amend the Capital Strategy.

45   Climate Change & Environment Panel Quarterly Update

Councillor Lloyd as relevant Cabinet Lead, introduced a report that outlines the work of the Climate Change & Environment Panel and assesses progress against the Action Plan priorities identified by Cabinet in July 2022.

A motion was proposed by Councillor Lloyd and seconded by Councillor Bowerman to adopt the recommendations for the reasons set out in the report.

Cabinet discussed the motion in detail, including the options available.

Councillor Lloyd responded to questions raised.

Following debate, it was

RESOLVED that Cabinet

a) note the work of the Climate Change and Environment Panel to date, including the progress against the priorities identified by the Cabinet on 13 July 2022

b) vary resolution 30 D of the Climate Liaison Panel report to Cabinet of 15 December 2021 to read "decide that the Climate Change & Environment Panel will bring annual update report to Cabinet".

46   Household Support Fund Round 4

In Councillor Fairhurst's absence, Councillor Rennie, as Leader of the Council, introduced a report that recommended the use of £140,000 of round 4 Household Support Grant Scheme funding, to support residents with rent arrears and help to prevent homelessness, as was successfully carried out in round 3.

A motion was proposed by Councillor Rennie and seconded by Councillor Robinson to adopt the recommendations for the reasons set out in the report.

Cabinet discussed the motion in detail, including the options available to Cabinet. Councillor Rennie and officers responded to questions raised.

Following a vote, it was

RESOLVED that Cabinet approve that the discretionary element of the Household Support Fund of £140,000 is used to support residents with rent arrears to allow them to sustain a tenancy, prevent homelessness or enable a move to a more sustainable tenancy.

47   Annual report on Overall governance, financial and performance arrangements for the Council's companies

Councillor Rennie reminded Cabinet that information in the appendix is private and confidential and Cabinet should make the Chairman aware of any wish to vote to exclude members of the press and public in order to discuss the exempt information.

Councillor Bowerman, as relevant Cabinet Lead, introduced a report following the appointment of a new Managing Director in April 2023 and the agreement of the Shareholder Sub Committee and Norse South East (NSE) to review and resubmit the Annual Business Plan 2023/24.

A motion was proposed by Councillor Bowerman and seconded by Councillor Rennie to adopt the recommendations for the reasons set out in the report.

Cabinet discussed the motion, including the options available.

Following a vote, it was

RESOLVED that Cabinet resolved to approve the revised Norse South East Ltd Business Plan 2023/2024.

48   Exclusion of the Press and Public

There was no requirement to resolve to exclude members of the press and public.

The meeting commenced at 6.00 pm and concluded at 6.54 pm

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Chairman

Havant
BOROUGH COUNCIL

Name of Committee:	Cabinet
Committee Date:	20th December 2023
Report Title:	Finance System Replacement
Responsible Officer:	Steven Pink – Chief Finance Officer & S151 Officer
Cabinet Lead:	Councillor Bowdell – Cabinet Lead for Finance
Status:	Non-Exempt
Urgent Decision:	~~Yes~~ / No	**Key Decision:**	~~Yes~~/ No
Appendices:	Appendix A – Finance System Replacement Business Case Appendix B – Business Case Presentation
Background Papers:	None
Officer Contact:	Name: Steve Pink Email: steven.pink@havant.gov.uk
Report Number:	HBC/062/2023

Corporate Priorities:
Implementation of an efficient, effective and modern finance system is of vital importance to help protect the integrity of the Council and its operations. They also protect the finances by providing rigorous systems and processes to support the appropriate use of council taxpayers' money.

Executive Summary:
As a publicly funded body, Havant Borough Council needs an effective and efficient financial system to support the administration of the Council's limited financial resources. With the current system out of contract in September 2025, it is imperative that we procure a new contract (and potentially supplier) as soon as possible to ensure we have implemented, tested and understand any new system in time for this deadline.

We have explored the potential routes to procurement and, given the resource requirements and conflicting timeline to other major projects, believe sourcing a system and supplier through the "G-Cloud 13" framework presents the safest and most efficient method of procurement. This would allow the Council to implement by April 2025.

Having Followed the G-Cloud process in line with procurement regulations, we evaluated a number of suppliers and make the following recommendations to award a contract for the future supply of our financial system from April 2025. |

Recommendations:

Cabinet is asked to;

a) Award the contract to TechnologyOne Limited to provide the replacement software for the Council's Financial management system in line with the Crown Commercial Services G-Cloud 13 framework for (up to) 4 years at a cost of £105k per annum.

b) To delegate authority to the Chief Finance Officer (S151) in consultation with the Monitoring Officer to finalise and sign a contract with the preferred supplier.

1.0 Introduction

1.1 This paper is submitted to Cabinet to present the business case for awarding a contract for a Finance System in time for April 2025.

1.2 The system is within the cash limited budget, and could be awarded directly, but the resourcing requirements or the project and implementation phase are underwritten by a paper agreed by Full Council in November 2023 in which it was agreed that any associated draw down on this reserve would be accompanied by a business case.

2.0 Background

2.1 Havant Borough Council currently processes financial data and transactions via the "Integra" finance system.

2.2 This was Capita's financial system used for local authorities and was inherited from the 5 Council's contract. (Although it is an additional to the main contract).

2.3 Integra and the business unit supporting it was sold to Advanced ADVT in July 2023.

Page 8

2.4   Integra was due to have its technical support ended on 31st March 2024, although with the sale to Advanced, this has been extended to 31st March 2025.

2.5   Advanced ADVT are replacing Integra with a new offering, called "Centros" which an enhanced version 3 of the existing system.

2.6   Centros is not a Software as a Service (SaaS) system.

2.7   HBC's contract for Integra ends in September 2025.

2.8   The current system has a number of issues and will no longer be fit for purpose moving forward.

3.0   Options

3.1   Do Nothing
   - Not an option – Havant Borough Council would fail to meet legal and financial requirements.

3.2   Self-Build
   - No capability to deliver.

3.3   Full procurement
   - Expensive
   - Resource heavy
   - Slow – would likely fail to meet time limited deadline
   - Would allow for a longer contract award (typically up to 10 years)

3.4   Framework procurement
   - G-Cloud 13
   - Easily understandable
   - Easily Accessible

Page 9

- Pre-procurement regulation verified by Crown Commercial Services
- Tailored for the Public Sector
- Transparent pricing
- Standard contracts (reduced legal risk and cost)

4.0   Relationship to the Corporate Strategy

4.1   Having an effective and efficient finance system is essential to delivering the Council's Corporate Strategy. The system supports a transparent Council with high standards of integrity and support the Council having financial stability over the medium-term.

5.0   Conclusion

5.1   The current financial system (Integra) is no longer fit for purpose and is out of contract in Sep 2025, therefore it needs replacing.

5.2   The G-Cloud 13 framework represents the most efficient and simply way to source a new system that complies with procurement regulations and limits demand on our limited resources to be able to focus on the other significant procurement exercises currently under way.

5.3   The available systems comply with both our current and planned digital strategies (thus future proofing the contract) of being a cloud-based Software as a Service (SaaS) system and supports the Council's operational objects of allowing flexible working for its employees.

5.4   The pricing options are clear and provide year-on-year savings.

5.5 TechnologyOne's "OneCouncil" solution offers the most practical solution to provide all the key elements of a financial system, with additional desirable elements at no extra cost.

6.0 Implications and Comments

6.1 S151 Comments

It is essential that the Council has am appropriate, modern, efficient and effective financial system in place. The contract for this system also needs to be agreed in time to secure relevant resources to allow implementation in a timely manner.

The proposed supplier has significant market share, experience and expertise, and can demonstrate successful applications across the sector. There pricing structure is simply and clear and within existing cash limits.

Members can feel assured that appropriate levels of due diligence and scrutiny have taken place before making the recommendations.

6.2 Financial Implications

The awarding of a contract to TechnologyOne would deliver a year-on-year saving of~£40k to the Council's net revenue budget. These costs include the majority of the implementation costs (other than £10k up front). Thus, protecting the Council's valuable reserves.

Implementation of any system will require further technical employee resourcing (such as a systems accountant, or equivalent). This could be limited to a 24-month fixed-term positions costing ~£120k in total.

6.3 Monitoring Officer Comments

The Council's internal governance procedures have been followed to ensure due diligence and consideration has been given to the proposal to award the contracts and obtain best value.

Page 11

6.4 Legal Implications

The Council has the power to enter into the contract pursuant to S1 of the Local Government (Contracts) Act 1997 and section 111 of the Local Government Act 1972 confers power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

6.5 Equality and Diversity

These recommendations comply with our internal Equality and Diversity policy and practises where applicable.

6.6 Human Resources

These recommendations have been considered in line with current HR policies and best practise.

6.7 Information Governance

The DPO will be consulted as the project proceeds and in particular advice will be sought with regards to the migration of data and migration plan.

6.8 Climate and Environment

These recommendations support limiting the Council's carbon footprint as cloud-based services require less on-site server capacity, reducing energy consumption and heat production. The ease of use and access also further supports the ability to work from home, again reducing travel requirements and reducing employee's carbon footprint from commuting.

7.0 Risks

7.1 Failure to source and agree a new finance system would result in the Council having no secure method of administering our financial responsibilities, including producing financial statements, paying suppliers and raising invoices.

7.2   Full project risk assessment is detailed in the main business case.

8.0   Consultation

8.1   Not applicable

9.0   Communications

9.1   No applicable

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr N Bowdell	12/12/2023
Executive Head:	Matt Goodwin	11/12/2023
Monitoring Officer:	Jo McIntosh	12/12/2023
Section151 Officer:	Steven Pink	27/11/2023

Page 13

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Financial Management ERP System Software Procurement
Full Business Case

Steven Pink

Chief Finance Officer & S151 Officer

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DOCUMENT CONTROL

Guidance note on how to use this template

A business case provides the justification for initiating a project or task. It evaluates the benefit, cost and risk of alternative options and provides a rationale for investing in a preferred solution. As a management tool, it is developed incrementally over time as the proposal matures, with additional detail added with each iteration. It is essential to pass the business case through the appropriate gateways for approval at each stage so that options can be effectively appraised to enable robust decision-making and stakeholder buy-in.

This full business case (FBC) template is intended to aid users in preparing a commercial FBC. The business case template is bespoke to the Council, so has been designed to be agile and lean for users, whilst also aligned to best practice principles as set out in HM Treasury 'Green Book' guidance for public sector bodies on how to appraise proposals before committing funds to aQWE policy, programme or project.[1]

A

The Five Case Model

The proposed business case appraisal framework is based on the Office of Government Commerce Five Case Model for Business Cases. The "Five Case Model" is the best practice standard recommended by HM Treasury for use in central government departments, other government bodies and by all those with responsibility for deciding how public money should best be spent. This guidance is available free of charge on the internet and those developing business cases are advised to refer to it.

The five cases in support of a proposal for a commercial opportunity must demonstrate they have thought in detail about the following questions:

o **The strategic case** - "What we are doing and why?"

o **The economic case** - "Available options and the extent to which they provide value for money?"

o **The commercial case** - "How will the project or programme be delivered?"

o **The financial case** - "How much it will cost, and how it will be funded?"

o **The management case** - "How will delivery of the programme/project be planned, monitored and overseen to evaluate and ensure its success?"

Developing the Business Case

The business case is a key tool in ensuring public value in spending decisions, in terms of scoping a project, options selection, delivery, monitoring and evaluation. The business case, therefore, must never be perceived or used as the vehicle for simply gaining approval for a proposal. To deliver public value, all five cases need to be planned in detail and with integrity.

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[1] The Council business case template is informed by the Green Book 'five case' business case model approach. For further information about HM Treasury's gateway process for developing business cases please refer to https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government.

1

Business cases should be developed over time. It is an iterative process where further detail is added to the five cases at each key stage. The level of detail and the completeness of each of the five cases are built up at different rates during the process.

The role of the Dacorum FBC is:

to revisit earlier IBC assumptions and analysis to identify a preferred option which demonstrably optimises value for money. It is then to identify the market place opportunity which offers optimum value for money, set out the negotiated commercial and contractual arrangements for the deal (so far as they are known), demonstrate that it is unequivocally affordable and to put in place the detailed management arrangements for the successful delivery of the scheme.

Specifically this includes:

- Re-visit the investment objectives

- Explore the benefits of investing in the project

- Re-visit the options available for delivering the objectives of the project

- Evaluate the value for money (VfM) of the options available for delivering the objectives of the project to reach a preferred option

- Set out how the proposal will be procured including the procurement strategy

- Identify the key risks, dependencies and constraints in more detail in relation to the project

- Ascertain and assess the affordability and funding requirement for the proposal

- Set out the arrangements in place for successful delivery of the project

Author	Steven Pink
Version number	V1
Document	
Issue date	November 2023
Approval date	
For internal /external publication	

Version	Date	Comments
V1	November 2023	
V2		
V3		
V4		
V5		

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ASSUMPTIONS LOG

For completion: This log comprises of a single place to collate all assumptions for any of the three cases.

Assumption Category	Assumption Name	Description	Source	Assumption owner

3

CONTENTS

4

1. Executive Summary

As a publicly funded body, it is imperative that Havant Borough Council (HBC) has an effective and efficient financial system to support the administration of the Council's limited financial resources.

Local Authorities are required to produce annual financial statements that provide a "true and fair" view of their financial performance and financial position. These statements are also required to be independently audited and are public documents.

The Council also has many information, statistical and financial returns to submit which require accurate and timely and easily accessible data.

With the current system out of contract in September 2025, it is imperative that we procure a new contract (and potentially supplier) as soon as possible to ensure we have implemented, tested and understand any new system in time for this deadline.

We have explored the potential routes to procurement and, given the resource requirements and conflicting timeline to other major projects, believe sourcing a system and supplier through the "G-Cloud 13" framework presents the safest and most efficient method of procurement. This would allow HBC to implement by April 2025, providing us with a smooth transition between systems and providing a contingency window before the current system contract ends. It would also prevent us from having to run one financial year split across two systems.

Having thoroughly researched the G-Cloud 13 framework, it is clear there are enough suitable suppliers to meet our needs and comply with our IT digital strategy. The available suppliers already provide finance system to >150 UK Public Sector organisations combined. Market research has been conducted to establish if these suppliers' systems are suitable, could meet our needs, what the customer service is like, how the implementation went, how well supported the customers are and if any hidden costs have been uncovered.

We then designed our system specification/requirements and submitted these to the G-Cloud 13 contract processing.

The result produced gave us the options of the following system/suppliers:

TechnologyOne

Unit 4

Sage

MRI Horizons

Oracle ERP Cloud Finance

FinancialForce - Financial Management and FP&A

Dynamics 365 Finance

We completed a desktop evaluation to assess the suitability of each system and supplier and scored them based on several key priorities to shortlist the available systems.

5

We engaged with the top scoring suppliers for system demonstrations and "discovery" sessions and completed further due diligence with existing customers. We also engaged the whole finance team in the process to ensure we had a broad spectrum of opinions and questions.

After all engagement and due diligence was completed and on reviewing the standard pricing structure for each supplier, we have decided that TechnologyOne would be the best fit for HBC and recommend proceeding to award a contract in line with the G-Cloud 13 framework requirements to start in the new year with a target GO-Live date of April 2025.

Steven Pink
Chief Finance Officer (S151)
Havant Borough Council

2. **Strategic Case** – What are we doing and why?

2.1 **Context**

2.1.1   Havant Borough Council currently processes financial data and transactions via the "Integra" finance system.

- We are using version 2 of the system.

2.1.2   This was Capita's financial system used for local authorities and was inherited from the 5 Council's contract.

- Although inherited, the contract sits outside of the main 5C's contract and is a joint arrangement with Hart (who direct contract) and East Hants Council's (who contract through HBC)

- East Hants have given notice on their contract and are replacing Integra with Unit 4 in April 2024.

2.1.3   Integra and the business unit supporting it was sold to Advanced ADVT in July 2023.

2.1.4   Integra was due to have its technical support ended on 31st March 2024, although with the sale to Advanced, this has been extended to 31st March 2025.

6

2.1.5   Advanced ADVT are replacing Integra with a new offering, called "Centros" which an enhanced version 3 of the existing system.

2.1.6   Centros is not a Software as a Service (SaaS) system.

2.1.7   HBC's contract for Integra ends in September 2025.

2.1.8   Current System Issues

- The current system does not access functionality to financial planning and analysis.
- Integration with other systems (such and Pay360) is poor.
- System support from the supplier can be slow.

2.1.9   There are currently 116 active users of the Integra finance system.

2.1.10 In Integra we current process between 12,000 ad 19,000 transactions every year.

2.2   Current issues, priorities and implications of not undertaking the project

2.2.1   Not implementing the project poses a number of risks to the Council, set out below:

2.2.2   **Loss of Service** – Once the contract expires in September 2025 the Council will lose access to the current Integra finance system. This will mean being unable to use a recognised system to support a number of key financial activities including, but not limited to:

- Producing annual financial statements
- Raising customer invoices (Accounts Receivable)
- Paying supplier invoices (Accounts Payable)
- Submitting statistical returns (for required reporting or to support grant funding)
- Submitting VAT returns
- Effectively monitoring budgets and forecasting future spend

2.2.3   **Loss of Data** – The failure to transfer data before the contract expires could lead to significant loss of data. This data is legally required for some audit purposes and freedom of information requests. We are also bound by the terms of our document retention policy and schedule to retain key information for set periods of time (typically current plus six years but is specific to the type of information).

2.2.4   **Reputational damage for the Council** – failure to pay suppliers in a timely manner and failure to produce high quality financial statements could have serious consequences for our reputation.

2.2.5   **Potential costs of needing to extend the existing** contracts - It is not an option to extend the current contract as the current system is out of technical support from April 2025 and has

7

been replaced by a new system (Centros) that would require a new contract with a new supplier.

2.3   Visioning Statement and Objectives

2.3.1   Having left the joint partnership with East Hampshire District Council in 2022, the Council has embarked on a journey to be a leaner more efficient and technically proficient organisation.

2.3.2   To support these aims, any new system or process needs to be planned and designed with the objectives in mind.

2.3.3   As a forward-facing organisation it is also important that any system or process is designed to be as "future proof" as is reasonably possible.

2.3.4   The Council has a Digital Strategy 2020-2024 in which the key requirements are:

- **"Digital by Default and Cloud First in action"**

2.3.5   A new policy is being devised which takes this strategy a stage further. HBC has a current SaaS roadmap, and we are following these principals in this procurement to ensure the new finance system complies with the revised strategy as much as possible.

2.3.6   Installing and using modern "Software as a Service" (SaaS) platforms support the following objectives:

- Align the system with the Digital Strategy
- Limits resource requirements
- Finding operational efficiencies
- Reduces processing time
- Increase user engagement
- Improves analytics
- Allow staff to access the latest available features and functionality
- Ensure that system availability, support and security are included in the provision.

2.3.7   The use of such a system will also help to empower non-financial managers to be able to access and understand financial data more easily and make faster, better informed decisions and to be more self-sufficient.

3.   **Economic case** – Available options and the extent to which they provide value for money

3.1   Possible options

3.1.1   There are a number of options available to the Council. These are briefly summarised below:

3.1.2   **Option 1 – Do nothing and let the contracts run out / automatically renew**. Allowing Integra to expire would incur costs from Advanced ADVT by failing to give notice and continuing to

8

use an unlicenced product. It would also increase the costs for any data extraction/data migration support. Furthermore, the system ceases to have any product support from April 2025 which put the integrity of the Council's financial data at risk.

3.1.3   This option has been ruled out as this will lead to additional costs on top of the existing annual license fees. The software will also become increasingly out of date as the supplier has outlined they will not be investing any further into it.

3.1.4   **Option 2 – Council builds its own financial system**. This option has been ruled out as the Council does not have the capacity or knowledge to build its own IT/Digital systems. IT would also go against our current and future stated digital strategy.

3.1.5   **Option 3 – Full open market tender and procurement**. This option would also the Council to enter into a long-term contract and should ensure the Council gets the best value for money system available. However, there is limited time to process a full open market tender and the Council has limited procurement team resources, most of which will be required to focus on higher value contracts over the next 12-24 months. Market research has also identified that the same potential systems are available for the same (or lower) costs via the use of procurement frameworks.

3.1.6   This option has been discounted due to resourcing constraints.

3.1.7   **Option 4 – Sourcing via a recognised national procurement framework**. This option provides the large majority of the benefits of open market tenders but can be concluded at much faster pace (and reduced procurement costs) whilst still providing access to all of the market leaders in this field at the best market rates. The only limitation is that contract lengths are limited to 4 years (2+1+1). The preferred framework is the Crown Commercial Services "G-Cloud 13" framework. Every supplier on the framework has gone through rigorous procurement processes to ensure any purchasing body has the appropriate level of assurance and legal compliance required to award a contract.

3.1.8   This is the preferred option due to the time and resource saving.

3.2   Critical Success Factors

3.2.1   The delivery of the business case rest on a number of critical success factors. This section outlines a number of key factors for success.

3.2.2   **Supplier Capacity** – The Council is beholden to those providers who currently operate and their capacity to deliver the service that the Council is seeking. The Council is aware of several other authorities who have recently or are currently implementing the chosen solution and have undertaken due diligence on the capability of the chosen supplier (and alternatives) to deliver on time and within budget.

3.2.3   **Available Budget** – The Council has current budget of £144k to fund the annual licence fee for a financial system. The Council will need to fund some project and implementation resource from the £1.3m reserve agreed at Full Council in November 2023 (upon approval of this business case). This is likely to be equivalent to 0.5 FTE of a project manager and 1.0 FTE of a

9

systems accountant. Some of these costs can also be met by the in-year budget savings form the proposed supplier. All other requirements should be met from within existing resources.

3.2.4   **Service Capacity** – The financial services currently offer to the Council are already at the maximum available from existing resources. However, in large parts, the limiting factor is the functionality of the current system. Time spent ensuring an effective migration and implementation of a more modern system, will quickly pay dividends with process efficiencies taking effect.

3.3   Project benefits

3.3.1   The delivery of the FBC provides a number of benefits, each of which have been explored in the table below:

Benefit Classification	Example
Financial	The business case outlines that a saving of ~£40k per annum to be identified from the recommended supplier. This includes all but £10k of external implementation costs and the total saving over 4 years would be £150k.
Non-financial	As outlined the business case demonstrates that significant efficiency savings identified via the implementation of the recommended system. These include, but are not limited to: **Exchequer Services:** We have benchmarked our exchequer services against those of similar councils, and some that use the recommended system. This has shown that we expect to make significant efficiency savings in this area and will be able to deliver additional exchequer services and/or improved quality. This in turn should allow the Council to improve its debt collection rates thus supporting the revenue budget and improving our working cash cycle. **Business Partnering:** This is a key area for future efficiencies across the Council's services. Improved data accessibility and support to non-financial managers will support the services own financial management and understanding of their cost drivers and help to find financial and process efficiencies.
Quantifiable	It is estimated that the new financial system (once fully embedded) will save approximately 1.0 FTE of exchequer officer time. This will be redirected into strengthening our aged debt and credit control processes to deliver cashable savings.

10

Qualitative	The replacement system will deliver better functionality and data quality to all financial and non-financial managers. This will support the transition to leaner, more efficient time and resource management across the Council. The system will also support consistency of data across the range of required reporting and government returns. This helps our funding bids and our transparency reporting.

4. Commercial case - How will the project or programme be delivered?

4.1 Delivery Options & Procurement Strategy, Risk Apportionment and Contractual Issues/Accounting Treatment

4.1.1   This section of the business case sets out the delivery options of the preferred option. Given that the likely contract is expected to be within the existing cash limited budget, whilst a legal procurement process is required, this can be via the use of recognised frameworks to accelerate the process and minimise costs.

4.2 Market Analysis

4.2.1   To aid the Council in developing its specification for the new system, and to help develop the Councils' procurement strategy the Council undertook soft market testing in August 2023.

Soft Market Testing

4.2.2   The Council undertook a soft market testing exercise during August & September 2023 to explore with the market a number of issues relating to any new system. This exercise helped the Council refine its detailed software specification prior to the formal tendering process commencing. The testing looked at a number of key areas:

- System capabilities/ System functions
- User acceptance
- Training requirements
- Market share
- Supplier engagement
- Supplier support
- Implementation "challenges"
- Hidden costs
- Post implementation support

11

4.2.3 Following submission of the outline specification to the G-Cloud framework, the recommended list of suppliers underwent a desktop evaluation to identify the most suitable system and provider to contract with. The evaluation results can be seen below:

Provider	System/Product	Design and Methods	Experience	Resources	Finances	Total
		40%	20%	10%	30%	100%
X3 CONSULTING LTD	Sage Business Cloud X3: Financial Management & Reporting (Sage X3)	24	8	4	30	66
Technology One UK Ltd	OneCouncil	40	16	10	24	90
G7 Business Solutions Ltd	Unit4 SaaS ERP and ERPx	32	12	8	18	70
WIPRO HOLDINGS (UK) LIMITED	Oracle ERP Cloud Finance	32	16	8	0	56
Embridge Consulting (UK) Ltd	Unit4 Enterprise Resource Planning - Unit4 ERP MS7 ERPx (Previously Agresso Business World)	32	12	8	18	70
AGILYX EMEA LTD	FinancialForce - Financial Management and FP&A	32	12	6	18	68
AGILYX EMEA LTD	Unit4 Enterprise Resource Planning	32	12	6	18	68
Phoenix Software Ltd	Dynamics 365 Finance	32	12	8	24	76
UNIT4 Business Software Limited	Unit4 Enterprise Resource Planning	32	20	8	18	78
ARRIBATEC UK LTD	Unit4 ERP Enterprise Resource Planning from Unit4 Partner-of-the-Year	32	12	8	18	70

4.2.4 TechnologyOne came out as a clear winner on this scoring criteria. Alongside the second highest scorer, Unit 4, we engaged in a due diligence process to seek further assurance that best decision was made. After this process we are confident to recommend TechnologyOne as the preferred supplier.

12

5. **Financial Case** - How much it will cost, and how it will be funded?

5.1 **Project Assumptions**

5.1.1 This section sets out the key assumptions in the preparation of the financial model(s) for the Options set out in the Business Case.

Assumption (this can include but is not limited to the examples listed below)	Input
Contract award	1 January 2024
Implementation start date	1st April 2024
Implementation end date	31st March 2025
Operational period	2024/25 – 2028/29

5.2 **Financial Appraisal**

5.2.1 The expected costs and savings/income have been profiled in the financial model as illustrated below:

		Procurement Costs	Implimentation (Year 1)	Licence Fee				Total
				Year 1	Year 2	Year 3	Year 4	
	Current System	n/a	n/a	144,000	144,000	144,000	144,000	**576,000**
	Do-Nothing	-	-	160,000	160,000	160,000	160,000	**640,000**
	Open Tender	72,000 - 150,000	10,000 - 300,000	80,000 - 150,000	80,000 - 150,000	80,000 - 150,000	80,000 - 150,000	**330,000 - 900,000**
G-Cloud	Unit 4		265,000	85,000	85,000	85,000	85,000	**605,000**
	Technology One		10,250	104,895	104,895	104,895	104,895	**429,830**

UNIT 4	Net cash Flow	£	265,000	£	85,000	£	85,000	£	85,000	£	85,000
	DCF		1.000		0.966		0.934		0.902		0.871
	PV	£	265,000	£	82,126	£	79,348	£	76,665	£	74,073
	NPV	£	**577,212**								
	Cash Terms	£	605,000								
Technology One	Net cash Flow	£	10,250	£	104,895	£	104,895	£	104,895	£	104,895
	DCF		1.000		0.966		0.934		0.902		0.871
	PV	£	10,250	£	101,348	£	97,921	£	94,609	£	91,410
	NPV	£	**395,538**								
	Cash Terms	£	429,830								

5.3   Overall affordability

5.3.1   This business has demonstrated that the overall proposition is affordable within existing cash limits.

6.   Management case - How will delivery of the programme/project be planned, monitored and overseen to evaluate and ensure its success?

6.1   Organisational Development

6.1.1   The following sets out the main OD consideration in the delivery of the business case. A key theme is the necessity of ensuring continuity of operational software to support sound financial management and exchequer functions. This requires a collaborative effort to ensure all aspects of the project are delivered on time. The following provide the main organisational development issues for the service.

6.1.2   **Skills** – The Council benefits from having a highly skilled and motivated group of financial and technical professionals with a diverse set of skills, all of whom have relevant professional qualifications and members of the various professional/governing bodies. However, most staff are not accustomed to implementing major new IT systems. Whilst the in-depth knowledge that staff have in delivering their area will help in implementing the new system, it is not their area of expertise to do this this effectively. This will require a different set of project management skills.

6.1.3   **Capacity –** The current finance team is working to capacity and has been through a period of significant change since exiting the partnership with East Hants DC. The are currently going through a process of continuous improvement and talking new challenges on a regular basis. To successfully implement a new financial system will require their knowledge and support but they do not have the capacity to do this (and particularly to plan this) alone. Additional project management and system accountant capacity will be required to be resourced.

6.1.4   **Culture –** The culture within the finance team overall is one that embraces change and lends itself to new challenges very well. However, they are still fragile and there are some pockets of resistance. Strong management and tailored support will be required to ensure the team remain committed to the journey throughout the process.

6.1.5   **Organisational/Service Structures and operational effectiveness –** It is clear that current processes are not as efficient or effective as desired. Whilst learning a new finance system is inevitably going to bring about some challenges, without doubt the resulting product will deliver efficiencies across the organisation in a number of differing ways.

14

6.2 Business as Usual

6.2.1 The Finance team is currently delivering all its statutory requirements and support the key strategic objectives of the Council to a reasonable standard.

6.2.2 The Finance team process between 12,000 and 19,000 financial transactions in any given year, as well as completing statistical returns, producing year-end accounts, audits and support front line service delivery. The team also support strategic and operational decision making via strong evidence reporting and assessment.

6.2.3 Service managers and supporting staff also rely heavily on the current finance system and will need to invest time and energy into the implementation and operationalising of the new system. They will need to help design new reports, learn new processes and set aside time for training or to be trained. This will place a demand on their limited resources but this will be time limited and should deliver future efficiencies in many services. The demand is unlikely to have a significant impact on business as usual but cannot be completely ignored, especially in conjunction with a number of other key project occurring during the same time frame.

6.3 Key Risks

6.3.1 The following section provides an overview of the risks associated with the project, both internal and external. The known risks are contained in the following table:

15

Risk ID	Risk Title	Category	Identification of ares where there are significant risk	Date Added	Risk Owner	Original Assessment			Planned Mitigation Actions	Post mitigation Assessment		
						L/Hood	Impact	Priority		L/Hood	Impact	Priority
FS1	Data Migration	Resource	Data migration may exceed scheduled timeline, require additional resource.	01/10/2023	Project Sponsor / Project Manager	5	5	25	Securing project manager and systems accountant to ensure clear roles, responsibilities and schedul appropriately	3	5	15
FS2	Advanced ADVT Migration Resources	Financial	Risk that exisiting suplier does not have resources to support data migration	01/10/2023	Project Sponsor / Project Manager	3	5	15	Open dialoge with Advanced ADVT and researching any issues aced by other councils in this area	2	5	10
FS3	Internal Capacity (1)	Resource	Lack of resource to impliment new system impacting business as usual	01/10/2023	Project Sponsor / Project Manager	5	4	20	Agreeing project funds & Securing project manager and systems accountant to ensure clear roles, responsibilities and schedul appropriately	4	4	16
FS4	Internal Capacity (2)	Resource	Lack of resource to impliment new system delaying implimentation	01/10/2023	Project Sponsor / Project Manager	5	5	25	Agreeing project funds & Securing project manager and systems accountant to ensure clear roles, responsibilities and schedul appropriately	4	5	20
FS5	Internal capability	Resource	Risk of failure to deliver succesful project due to lack of knowledge or skills	01/10/2023	Project Sponsor	5	5	25	Recruiting HoF, project manager and systems accountant to ensure appropriate skill and experience	3	5	15
FS6	Budget	Financial	Failure to source new system within avaialble budget.	01/10/2023	Project Sponsor	4	4	16	Procuring via G-Cloud framework with clear pricing structures	3	4	12
FS7	Cyber Attack	Operational	Risk of any new system being more likely to be attacked or having insufficient security	01/10/2023	Project Sponsor / Systems Accountant	4	5	20	Ensuring security requirements are at the forefront of any specification and rigerously tested in implimnetation	3	5	15
FS8	Contract Award	Resource / Financial	Risk of failing to gain Cabinet approval to award contract in time for supplier to allocate required resources for scheduled timeline for delivery	01/10/2023	Project Sponsor	4	5	20	Early engagmenet with cabinet leader & potfolio holder. Regular contact with monitoring officer and democratic services	3	5	15

6.4   Outline Arrangements for Risk Management

6.4.1   The main control that can be placed on the project to manage risk will be to ensure that the procurement of the preferred supplier takes the most expeditious route possible and that the selected provider provides sufficient guarantees that the project will be completed prior to the existing service ceasing to be operational.

6.4.2   We have also taken the step to ensure we plan "go-live" of the new system long enough before the current system contract expires to ensure both a data and operational safety net. This will also allow the finance team to complete the statutory accounts for 2024/25 on the current

system without migrating the data into the new system first. This significantly reduces one area of migration and data risk and supports business as usual.

6.5 Outline Arrangements for Change and Contract Management

6.5.1 It is proposed that the Chief Financial Officer has the overall authorisation with oversight and final decision making sitting with ELT.

6.6 Contingency plans

6.6.1 Reports to ELT and through Corporate Policy as appropriate.

6.6.2 The Head of Finance to deputise for the Chief Finance Officer as and when required.

6.7 Project management arrangements

6.7.1 The project team will be led by the Head of Finance (as part of their role) with 1.5FTE dedicated resource in the project manager and systems accountant, supported by several key members of the finance team and overseen by the Chief Finance Officer.
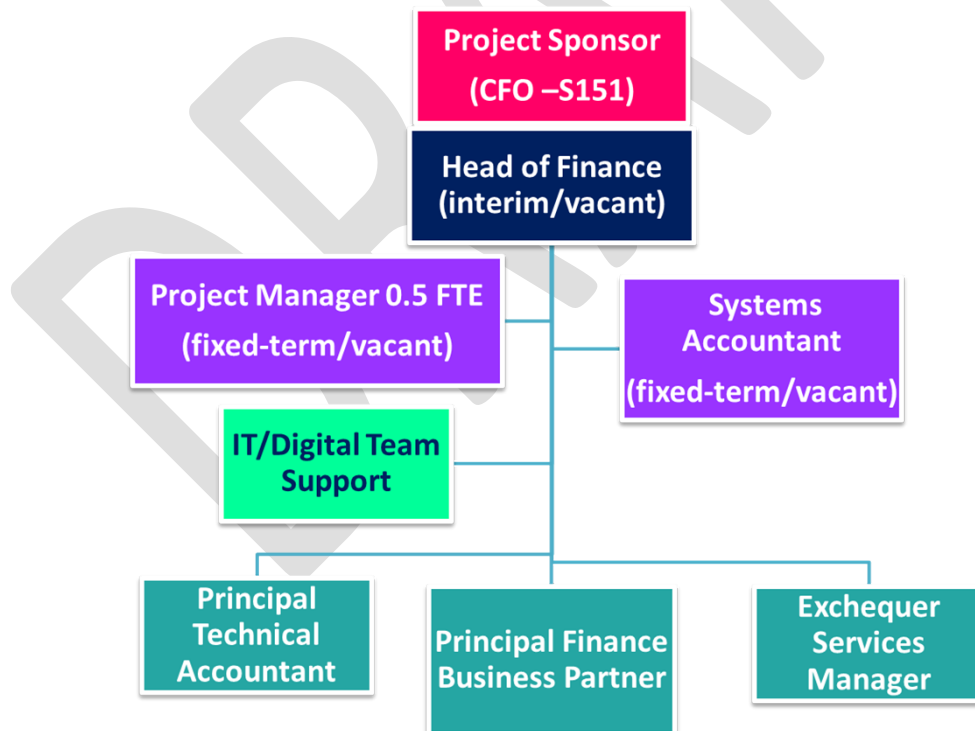
6.8 Project roles and responsibilities (Supplier v Customer)

17

6.8.1 The implementation phase will have distinct roles and responsibilities between the new supplier and the Council (the customer). These are clearly defined in the table below.

6.9 Project plan

6.9.1 The key milestones for the project are as follows:

18

Activity	Duration (weeks)	Complete by
Council Approval	1	December 2023
Finalise and enter in contract	3	Dec23/Jan24
Appoint Resource	8	Jan/Feb 2024
Project Initiation	1	April 2024
Plan	8	August 2024
Deliver	18	October 2024
System Testing	14	December 2024
Deploy	5	January 2025
System Sign off	3	February 2025
System Go-Live	3	March 2025

6.10 Operationalise

6.10.1   It is expected that the Project Manager and Implementation Team will work to onboard the new IT systems working closely with the new suppliers.

6.10.2   It is also expected that significant ongoing support will be needed to individuals involved in delivery to ensure we put in place the required cultural changes needed and that new processes and protocols are in place and being adhered to consistently. This will fall under the responsibility of the Head of Finance with at least 10-12 months additional support from the systems accountant as part of their planned fixed-term contract.

19

Appendix 2

Finance System Replacement

December 2023

Executive Summary

As a publicly funded body, it is imperative that Havant Borough Council (HBC) has an effective and efficient financial system to support the administration of the Council's limited financial resources.

Local Authorities are required to produce annual financial statements that provide a "true and fair" view of their financial performance and financial position. These statements are also required to be independently audited and are public documents.

The Council also has many information, statistical and financial returns to submit which require accurate and timely and easily accessible data.

With the current system out of contract in September 2025, it is imperative that we procure a new contract (and potentially supplier) as soon as possible to ensure we have implemented, tested and understand any new system in time for this deadline.

We have explored the potential routes to procurement and, given the resource requirements and conflicting timeline to other major projects, believe sourcing a system and supplier through the "G-Cloud 13" framework presents the safest and most efficient method of procurement. This would allow HBC to implement by April 2025, providing us with a smooth transition between systems and providing a contingency window before the current system contract ends. It would also prevent us from having to run one financial year split across two systems.

Having thoroughly researched the G-Cloud 13 framework, it is clear there are enough suitable suppliers to meet our needs and comply with our IT digital strategy. The available suppliers already provide finance system to >150 UK Public Sector organisations combined. Market research has been conducted to establish if these suppliers' systems are suitable, could meet our needs, what the customer service is like, how the implementation went, how well supported the customers are and if any hidden costs have been uncovered.

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Executive Summary

We then designed our system specification/requirements and submitted these to the G-Cloud 13 contract processing.

The result produced gave us the options of the following system/suppliers:
- TechnologyOne
- Unit 4
- Sage
- MRI Horizons
- Oracle ERP Cloud Finance
- FinancialForce - Financial Management and FP&A
- Dynamics 365 Finance

We completed a desktop evaluation to assess the suitability of each system and supplier and scored them based on several key priorities to shortlist the available systems.

We engaged with the top scoring suppliers for system demonstrations and "discovery" sessions and completed further due diligence with existing customers. We also engaged the whole finance team in the process to ensure we had a broad spectrum of opinions and questions.

After all engagement and due diligence was completed and on reviewing the standard pricing structure for each supplier, we have decided that TechnologyOne would be the best fit for HBC and recommend proceeding to award a contract in line with the G-Cloud 13 framework requirements to start in the new year with a target GO-Live date of April 2025.

Steven Pink
Chief Finance Officer (S151)
Havant Borough Council

Context

- Havant Borough Council currently processes financial data and transactions via the "Integra" finance system.
    - We are using version 2 of the system.

- This was Capita's financial system used for local authorities and was inherited from the 5 Council's contract.
    - *Although inherited, the contract sits outside of the main 5C's contract and is a joint arrangement with Hart (who direct contract) and East Hants Council's (who contract through HBC)*
    - *East Hants have given notice on their contract and are replacing Integra with Unit 4 in April 2024.*

- Integra and the business unit supporting it was sold to Advanced ADVT in July 2023.

- Integra was due to have its technical support ended on 31st March 2024, although with the sale to Advanced, this has been extended to March 31st 2025.

- Advanced ADVT are replacing Integra with a new offering, called "Centros" which an enhanced version 3 of the existing system.

- Centros is not a Software as a Service (SaaS) system.

- HBC's contract for Integra ends in September 2025.

- Current System Issues
    - *The current system does not access functionality to financial planning and analysis.*
    - *Integration with other systems (such and Pay360) is poor.*
    - *System support from the supplier can be slow.*

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Context

IT Strategy

Havant Borough Council has a Digital Strategy 2020-2024 in which the key requirements are:

- **"Digital by Default and Cloud First in action"**

This reduces need for expensive services and reduces reliance on single infrastructure providers enabling us to move between infrastructure suppliers more readily and more frequently.

A new policy is being devised which takes this strategy a stage further. HBC has a current SaaS roadmap, and we are following these principals in this procurement to "future proof" the new finance system as much as possible.

Context
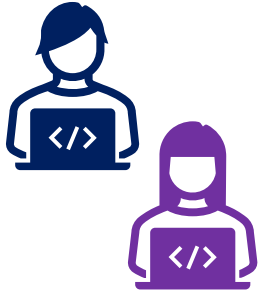
- **There are currently 116 Active users of Integra**
- **These include:**
  - Finance and operational users
  - Direct Employees and Capita Staff
- **Integra processes between 12,000 and 19,000 transactions every financial year**

Transaction Volumes

■ Invoices Raised + Credit Notes Issued ■ Invoices Paid + Credit Notes Received ■ Journals Processed ■ Purchase Orders Raised

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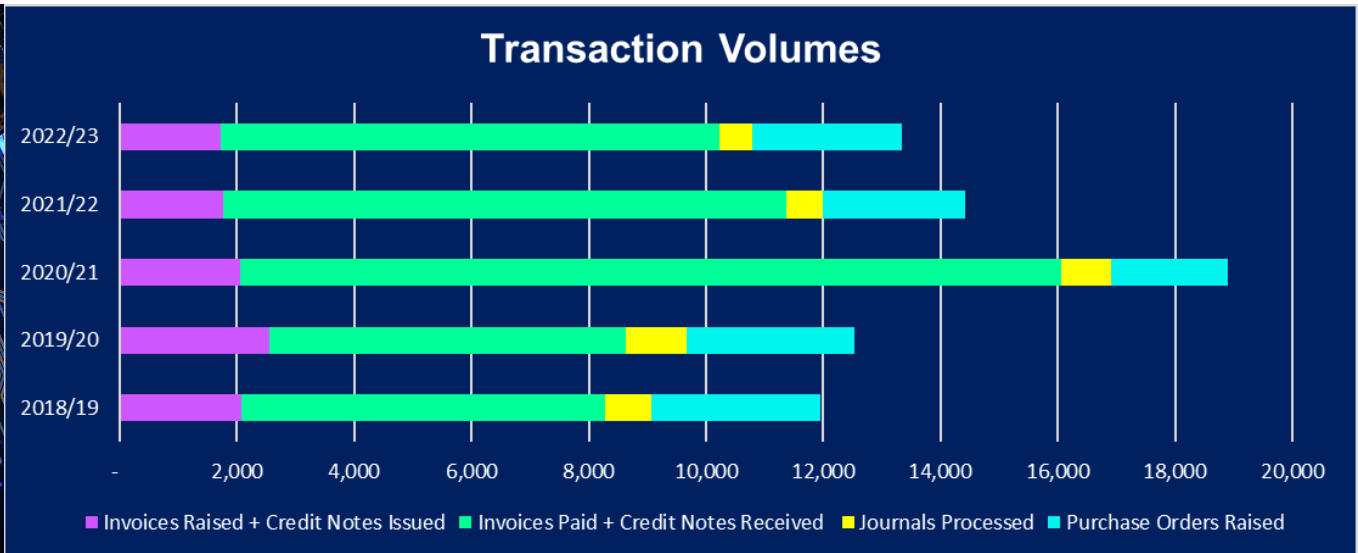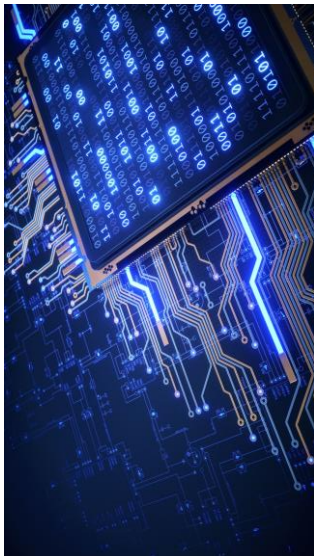
Objectives

Align to ICT strategy
- **Cloud Based**
- **SaaS**
- **"Off the shelf"**

Limit resource requirements
- **Procurement**
- **Project Management**
- **Implementation**
- **Finance Team Resource**

Operational Efficiencies
- **Reduce processing time**
- **Increase user engagement**
- **Improved analytics**

Page 41

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Outline Requirements

As a publicly funded body, it is imperative that Havant Borough Council has an effective and efficient financial system.

Page 42

- Manage the Council's finances
- Support the production of Annual Financial Statements
- Provide effective controls to prevent fraud or misstatements
- Pay Suppliers in a timely and accurate manner
- Raise Invoices to customers
- Report on and monitor financial transactions, budgets and spending
- Support the production of accurate financial forecasting and planning
- Support the annual budget setting process
- Support the annual Capital Programme
- Comply with our Digital Strategy
  - *Digital Security*
  - *The Council in The Cloud*
  - *Open and Flexible System*
- Support Innovation
- Deliver in line with the SaaS IT roadmap

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Key Considerations
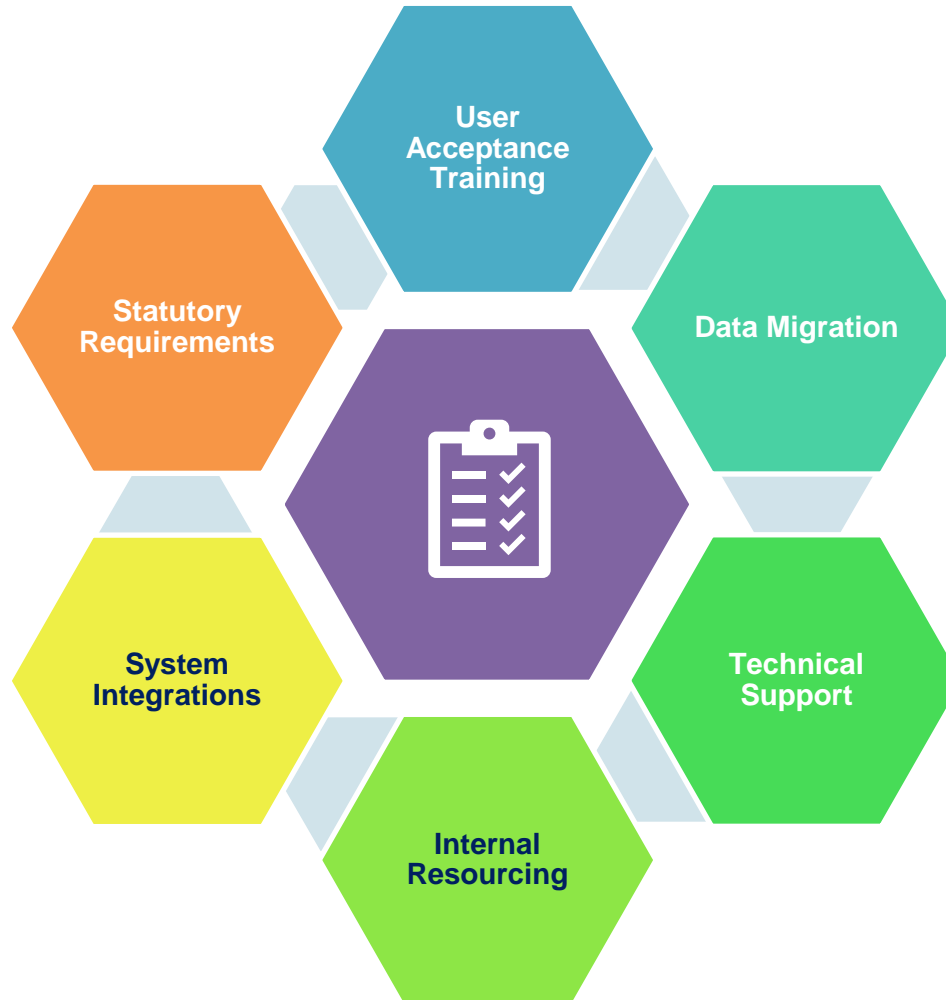
Specifications:

- **ERP system**

- **Key Words:**

  - *Budgeting*

  - *General Ledger*

  - *Accounts Payable*

  - *Accounts Receivable*

- **Cloud Based**

- **Software as a Service**

- **Web based API hosting**

- **Mobile access**

- **Email and Phone technical support**

- **Multi System sourcing to prevent loss of service/data in an outage**

- **ISO Security Standards**

- **GDPR system compliance**

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Process

- Decide objects and purpose

- Identify routes to procurement

- Research available suppliers

- Open market analysis

- Cost Benefit assessment

- Decide

Strategic Benefits

Installing and using modern "Software as a Service" (SaaS) platforms support the following objectives:

- Align the system with the Digital Strategy
- Limits resource requirements
- Finding operational efficiencies
- Reduces processing time
- Increase user engagement
- Improves analytics
- Allow staff to access the latest available features and functionality
- Ensure that system availability, support and security are included in the provision.

The use of such a system will also help to empower non-financial managers to be able to access and understand financial data more easily and make faster, better informed decisions and to be more self-sufficient.

Page 46

Strategic Benefits

Financial

The business case outlines that a saving of ~£40k per annum to be identified from the recommended supplier. This includes all but £10k of external implementation costs and the total saving over 4 years would be £150k

Non-Financial

As outlined the business case demonstrates that significant efficiency savings identified via the implementation of the recommended system. These include, but are not limited to:

Exchequer Services: We have benchmarked our exchequer services against those of similar councils, and some that use the recommended system. This has shown that we expect to make significant efficiency savings in this area and will be able to deliver additional exchequer services and/or improved quality. This in turn should allow the Council to improve its debt collection rates thus supporting the revenue budget and improving our working cash cycle.

Business Partnering: This is a key area for future efficiencies across the Council's services. Improved data accessibility and support to non-financial managers will support the services own financial management and understanding of their cost drivers and help to find financial and process efficiencies.

Strategic Benefits

Quantifiable

It is estimated that the new financial system (once fully embedded) will save approximately 1.0 FTE of exchequer officer time. This will be redirected into strengthening our aged debt and credit control processes to deliver cashable savings.

Qualitative

The replacement system will deliver better functionality and data quality to all financial and non-financial managers. This will support the transition to leaner, more efficient time and resource management across the Council.

The system will also support consistency of data across the range of required reporting and government returns. This helps our funding bids and our transparency reporting.

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Options Appraisal

Do Nothing

- Not an option

- System out of support - April 2025 (obsolete soon after)

- Contract ends September 2025

Full Procurement

- Expensive

- Time Consuming (may not complete open tender and implement by Sept 2025)

- Resource Heavy (running in parallel with multiple major procurement projects)

- Can set long-term contracts

Framework

- G-Cloud framework – procurement vetting pre-approved

- Easy to process to contract award (standard terms)

- Contract length limited to 2+1+1 years

- Limited scope to personalise

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TechnologyOne

- *Direct provider (not a reseller)*

  Provides core requirements of an ERP system with General Ledger, Account Payable and Receivable functions.

  Unlimited subsidiary Ledgers

  Software as a Service platform

  Mobile Device access as standard.

  API driven automation

  Major software updates twice per year.

  EzeScan Optional Module - provides operational efficiencies.

- *Budget monitoring, reporting and forecasting functionality as standard.*

  Compliance with International data security standards

  Multiple data centres to avoid service interruption if one centre fails.

  Multi-factor authentication

  Amazon Web Services

  6 x supported web browsers

  No application installation required

Benefits Comparison

Unit 4

- *Direct provider (not a reseller)*

  Provides core requirements of an ERP system with General Ledger, Account Payable and Receivable functions.

  Software as a Service platform

  Mobile applications available but not as standard

  Additional functionality available but as "bolt-ons"

  Microsoft Azure Web Services

  4 x supported web browsers

  Requires an application to be installed

  Risk of "additional costs", especially from system updates

Benefits Comparison

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Financials

	Procurment Costs	Implimentation (Year 1)	Licence Fee				Total
			Year 1	Year 2	Year 3	Year 4	
Current System	n/a	n/a	144,000	144,000	144,000	144,000	**576,000**
Do-Nothing	-	-	160,000	160,000	160,000	160,000	**640,000**
Open Tender	72,000 - 150,000	10,000 - 300,000	80,000 - 150,000	80,000 - 150,000	80,000 - 150,000	80,000 - 150,000	**330,000 - 900,000**
Unit 4		265,000	85,000	85,000	85,000	85,000	**605,000**
Technology One		10,250	104,895	104,895	104,895	104,895	**429,830**

G-Cloud

- Open tender – Extended time to contract, additional lost opportunity costs

- Do nothing – Unknow but likely additional costs via lost economies of scale post EHDC exit.

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Financials

- Net Present Value

UNIT 4	Net cash Flow	£ 265,000	£ 85,000	£ 85,000	£ 85,000	£ 85,000
	DCF	1.000	0.966	0.934	0.902	0.871
	PV	£ 265,000	£ 82,126	£ 79,348	£ 76,665	£ 74,073
	NPV	**£ 577,212**				
	Cash Terms	£ 605,000				
Technology One	Net cash Flow	£ 10,250	£ 104,895	£ 104,895	£ 104,895	£ 104,895
	DCF	1.000	0.966	0.934	0.902	0.871
	PV	£ 10,250	£ 101,348	£ 97,921	£ 94,609	£ 91,410
	NPV	**£ 395,538**				
	Cash Terms	£ 429,830				

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Finance System Replacement

Risk ID	Risk Title	Category	Identification of ares where there are significant risk	Date Added	Risk Owner	Original Assessment			Planned Mitigation Actions	Post mitigation Assessment		
						L/Hood	Impact	Priority		L/Hood	Impact	Priority
FS1	Data Migration	Resource	Data migration may exceed scheduled timeline, require additional resource.	01/10/2023	Project Sponsor / Project Manager	5	5	25	Securing project manager and systems accountant to ensure clear roles, responsibilities and schedul appropriately	3	5	15
FS2	Advanced ADVT Migration Resources	Financial	Risk that exisiting suplier does not have resources to support data migration	01/10/2023	Project Sponsor / Project Manager	3	5	15	Open dialoge with Advanced ADVT and researching any issues aced by other councils in this area	2	5	10
FS3	Internal Capacity (1)	Resource	Lack of resource to impliment new system impacting business as usual	01/10/2023	Project Sponsor / Project Manager	5	4	20	Agreeing project funds & Securing project manager and systems accountant to ensure clear roles, responsibilities and schedul appropriately	4	4	16
FS4	Internal Capacity (2)	Resource	Lack of resource to impliment new system delaying implimentation	01/10/2023	Project Sponsor / Project Manager	5	5	25	Agreeing project funds & Securing project manager and systems accountant to ensure clear roles, responsibilities and schedul appropriately	4	5	20
FS5	Internal capability	Resource	Risk of failure to deliver succesful project due to lack of knowledge or skills	01/10/2023	Project Sponsor	5	5	25	Recruiting HoF, project manager and systems accountant to ensure appropriate skill and experience	3	5	15
FS6	Budget	Financial	Failure to source new system within avaialble budget.	01/10/2023	Project Sponsor	4	4	16	Procuring via G-Cloud framework with clear pricing structures	3	4	12
FS7	Cyber Attack	Operational	Risk of any new system being more likely to be attacked or having insufficient security	01/10/2023	Project Sponsor / Systems Accountant	4	5	20	Ensuring security requirements are at the forefront of any specification and rigerously tested in implimnetation	3	5	15
FS8	Contract Award	Resource / Financial	Risk of failing to gain Cabinet approval to award contract in time for supplier to allocate required resources for scheduled timeline for delivery	01/10/2023	Project Sponsor	4	5	20	Early engagment with cabinet leader & potfolio holder. Regular contact with monitoring officer and democratic services	3	5	15

Risk Assessment

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Recommendations

➢ Technology One

▪ "One Council" solution

▪ SaaS Cloud based solution

▪ Standard pricing

▪ Aligned social values

▪ Fastest growing provider in sector

▪ No third-party implementation team required

▪ Existing user knowledge

Page 55

Efficiency Savings

- System Efficiencies

  - Document Scanning

  - Improved system integrations

  - Improved customer support

- Organisational Efficiencies

  - Improved data reporting tools

  - Integrated financial planning & forecasting tool

  - Easier user interaction increasing engagement

  - Mobile platform access

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Additional Benefits

Social Value Package

TechnologyOne will work in partnership with Havant Borough Council to achieve its social value priorities supporting a green, inclusive economic package for the borough.

TechnologyOne will provide a total amount of **£7,342.22** per annum, over the 4-year G-Cloud term of the contract, with the allocation being agreed by a joint TechnologyOne and Havant Borough Council.

This will be part of the global pledge of TechnologyOne of 1% of time, profit, and product to be donated to foundation work.

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SaaS+ Methodology

PLAN

DELIVER

TEST

DEPLOY

TechnologyOne
- Solution Collateral and Questionnaire
- Project Familiarization
- Environment Set Up
- Project Set Up
- Project Kick off
- Customer Reference Data setup
- Solution Workshops
- Solution Specification Documents
- Data Migration Training

Customer
- Questionnaire Response
- Project Set Up
- Attend Project Kick off
- Workshops preparation
- Attend Workshops
- Finalise Solution Specifications
- Plan Organisational Change Management
- Data Migration planning / scoping
- Integration planning / scoping

TechnologyOne
- Configuration
- Configuration testing
- Key User Training
- Acceptance Test Plan Scripts assistance
- Data migration assistance

Customer
- Key User Training attendance
- Acceptance Test Plan and Scripts Finalisation
- Data migration development
- Interface development
- Develop End User Training Plan

TechnologyOne
- User Acceptance Testing assistance
- Data migration assistance
- Go-live strategy

Customer
- Test Team Training
- User Acceptance Testing
- Business Readiness Strategy
- Go-live strategy assistance
- Trial data migration
- Data reconciliation and remediation

TechnologyOne
- Technical Go-Live Preparation and Delivery
- Post Go-Live Support
- Handover to T1 Support
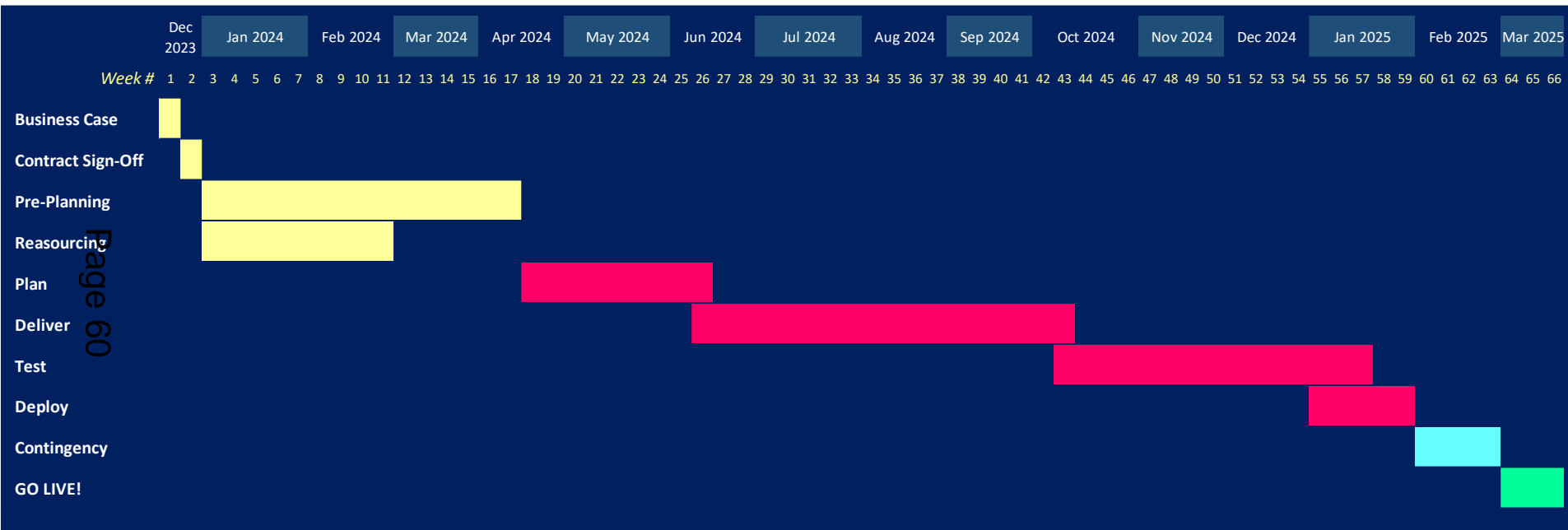- Project Implementation Review
- Project Closure

Customer
- End User Training
- Business Readiness Preparation and Delivery
- Technicall Go-live preparation assistance
- Final data migration
- UAT Approval and Go-Live Sign-Off
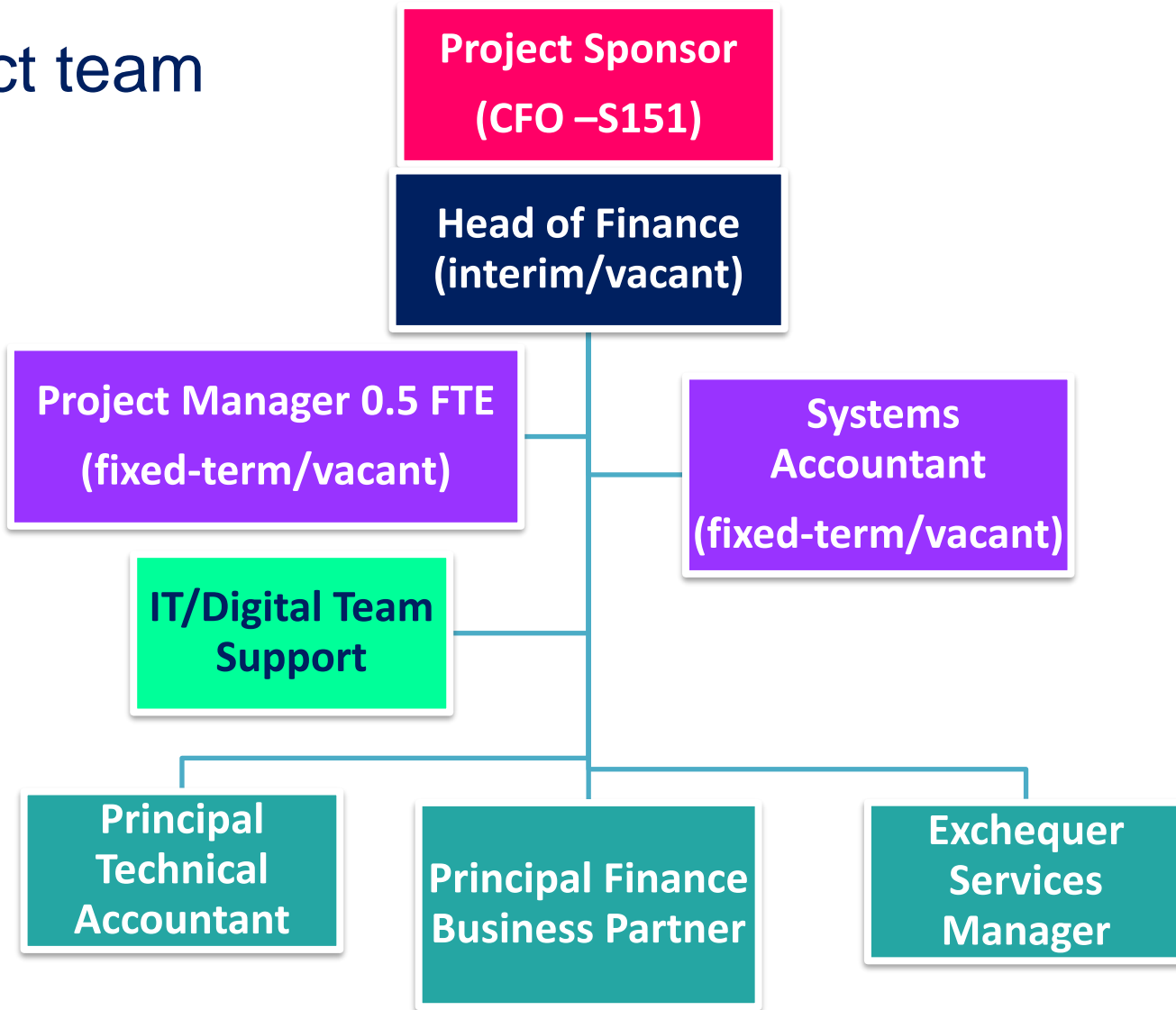- Post Go Live Support for Integration and Data Migration

Project Plan

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Project Roles and Responsibilities.

PLAN — **DELIVER** — **TEST** — **DEPLOY**

TechnologyOne
- Solution Collateral and Questionnaire
- Project Familiarization
- Environment Set Up
- Project Set Up
- Project Kick off
- Customer Reference Data setup
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- Post Go Live Support for Integration and Data Migration

Key Call Out's

- Data Migration
- Integrations
- User Acceptance testing
- Reporting
- Change Management

Project Plan

Project timeline

Project Plan

Project team

Project Sponsor (CFO –S151)

Head of Finance (interim/vacant)

Project Manager 0.5 FTE (fixed-term/vacant)

Systems Accountant (fixed-term/vacant)

IT/Digital Team Support

Principal Technical Accountant

Principal Finance Business Partner

Exchequer Services Manager

Project Plan

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Project Plan

Activity	Duration (weeks)	Complete by
Council Approval	1	December 2023
Finalise and enter in contract	3	Dec23/Jan24
Appoint Resource	8	Jan/Feb 2024
Project Initiation	1	April 2024
Plan	8	August 2024
Deliver	18	October 2024
System Testing	14	December 2024
Deploy	5	January 2025
System Sign off	3	February 2025
System Go-Live	3	March 2025

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Project Plan

Implementation Approach   SaaS+ Implementation Approach

PLAN Stage activities are presented in the following diagram:

Page 63
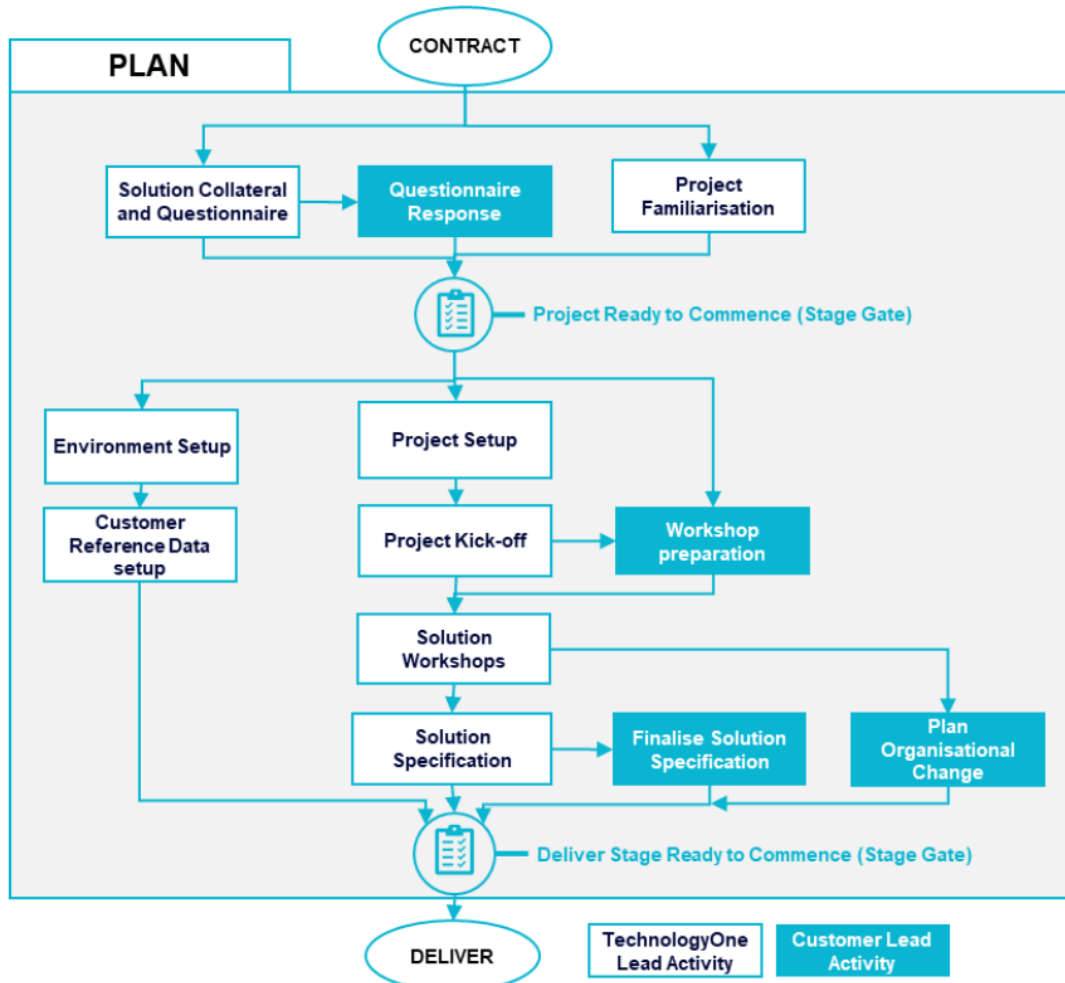
Figure 2 - Plan Stage Activities
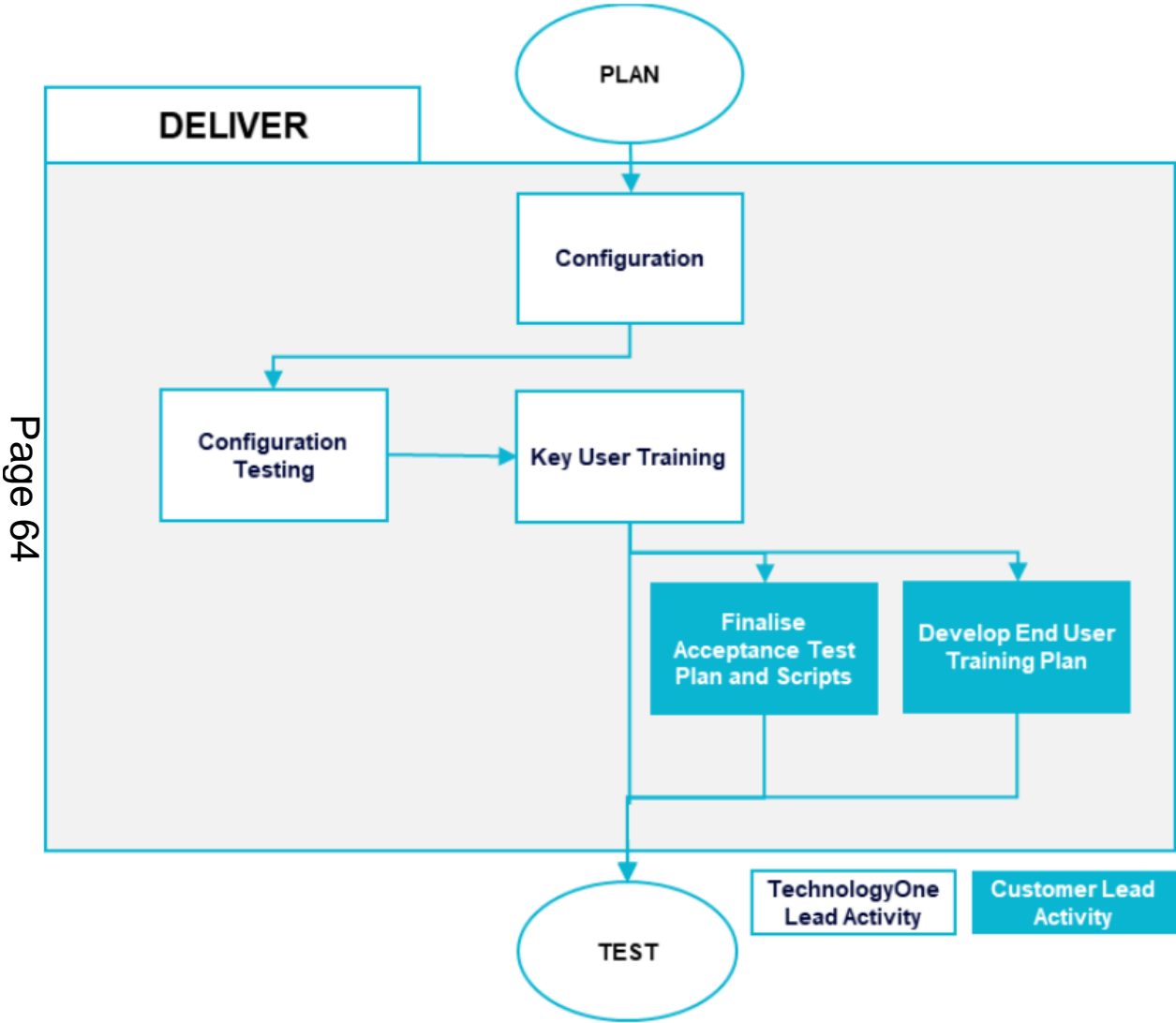
Project Plan

Figure 3 - Deliver Stage Activities

Project Plan
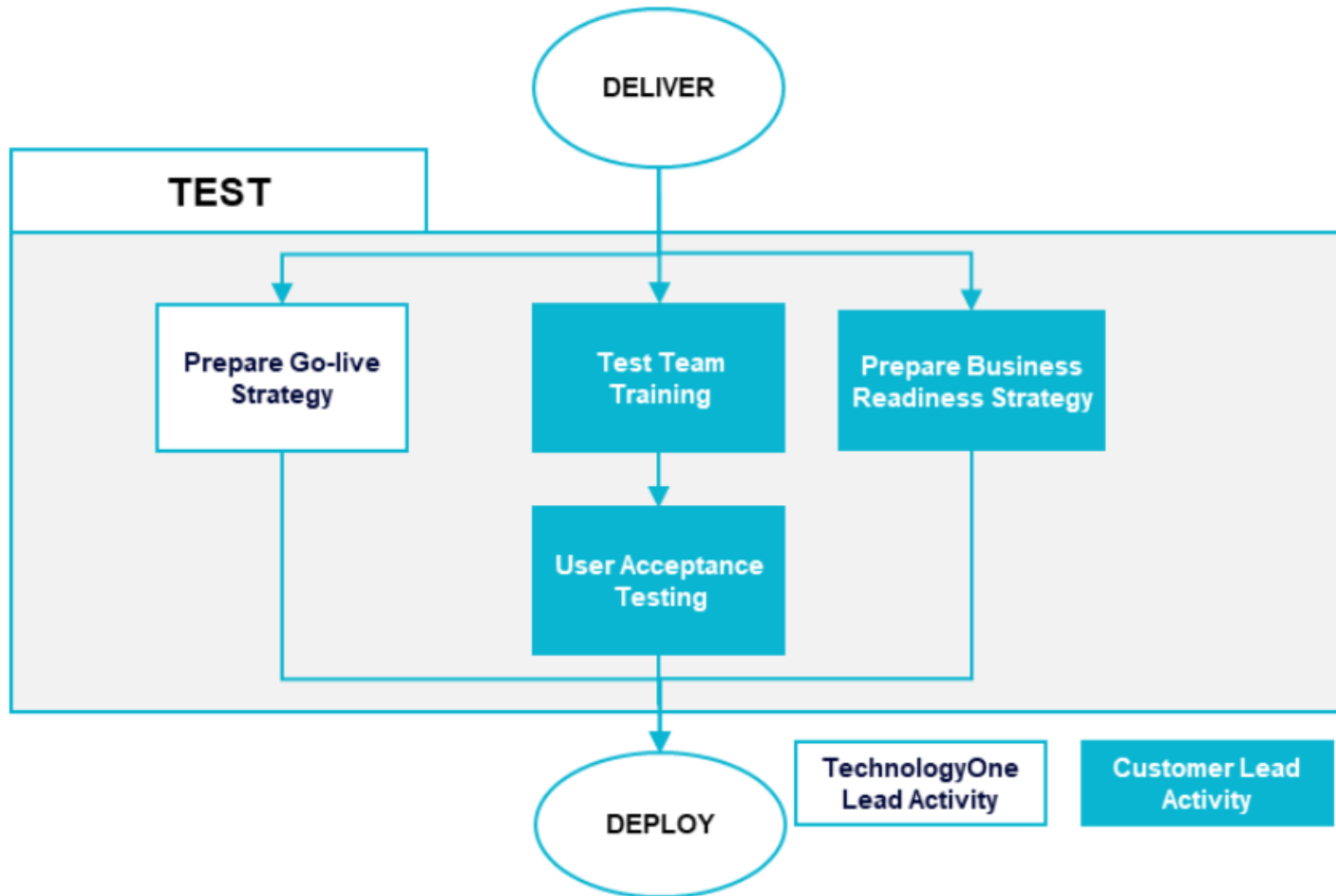
Page 65

Figure 4 - Testing Stage Activities

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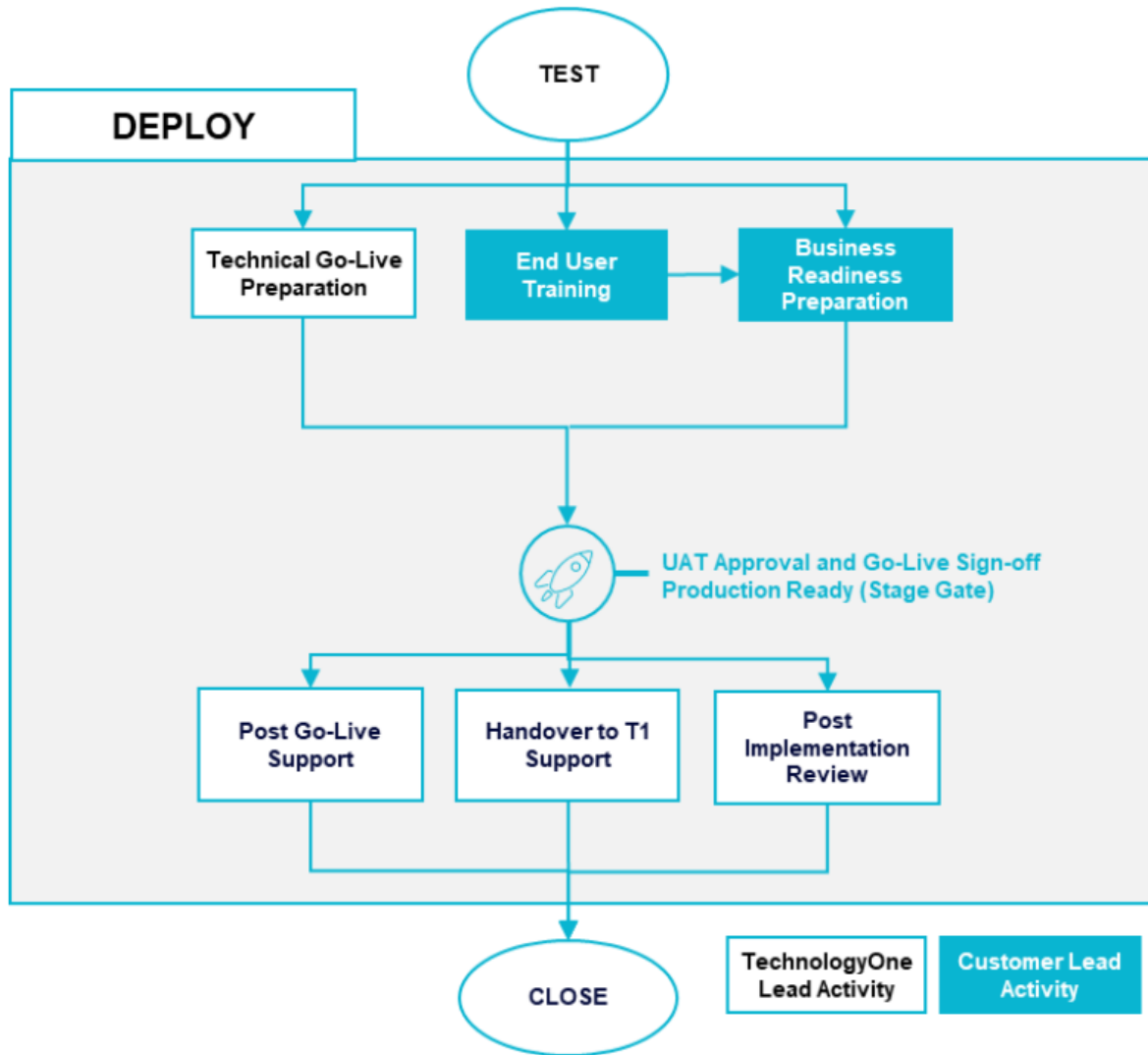
Project Plan

Figure 5 - Deploy Stage Activities
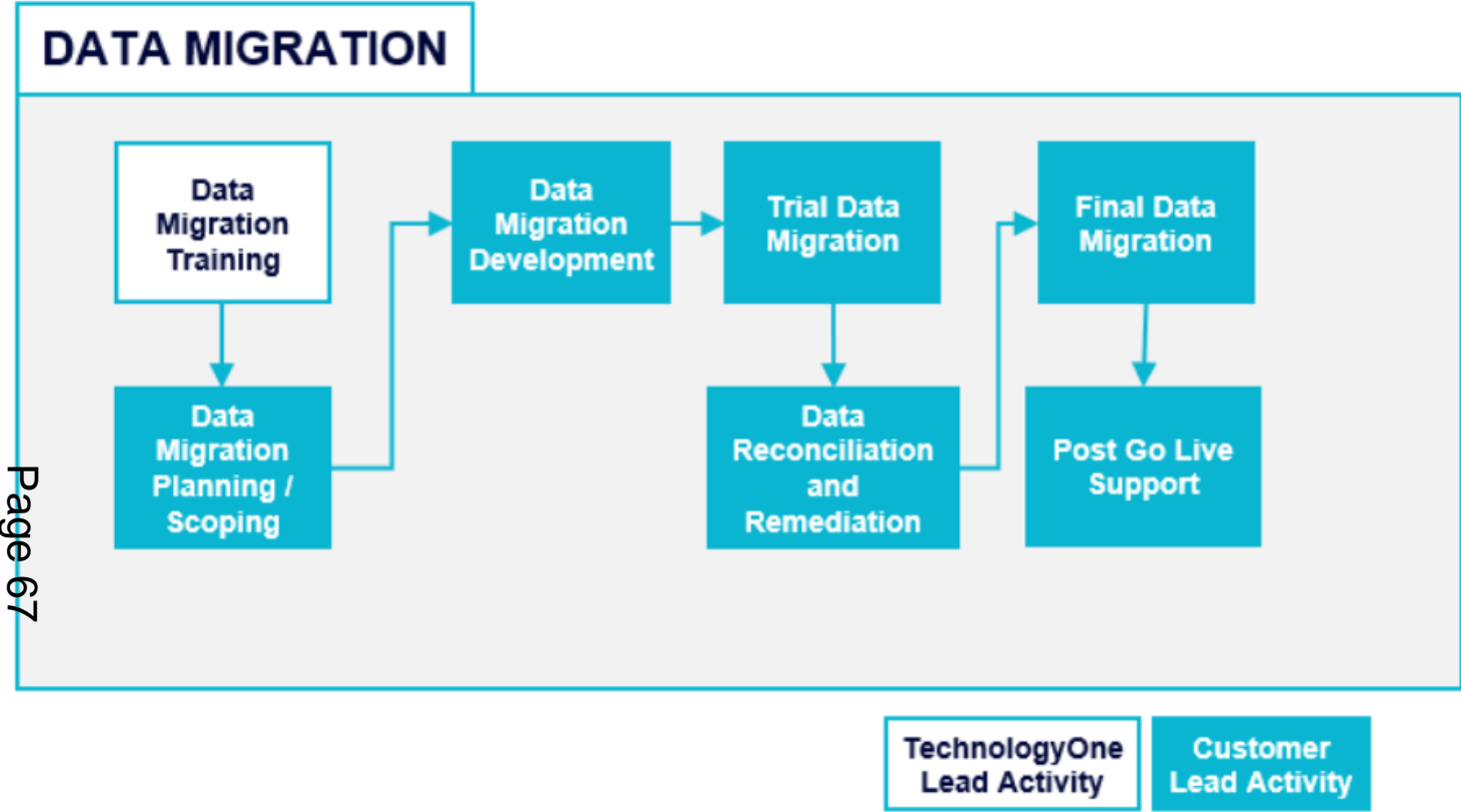
Project Plan

Figure 6 - Data Migration Activities

Project Plan
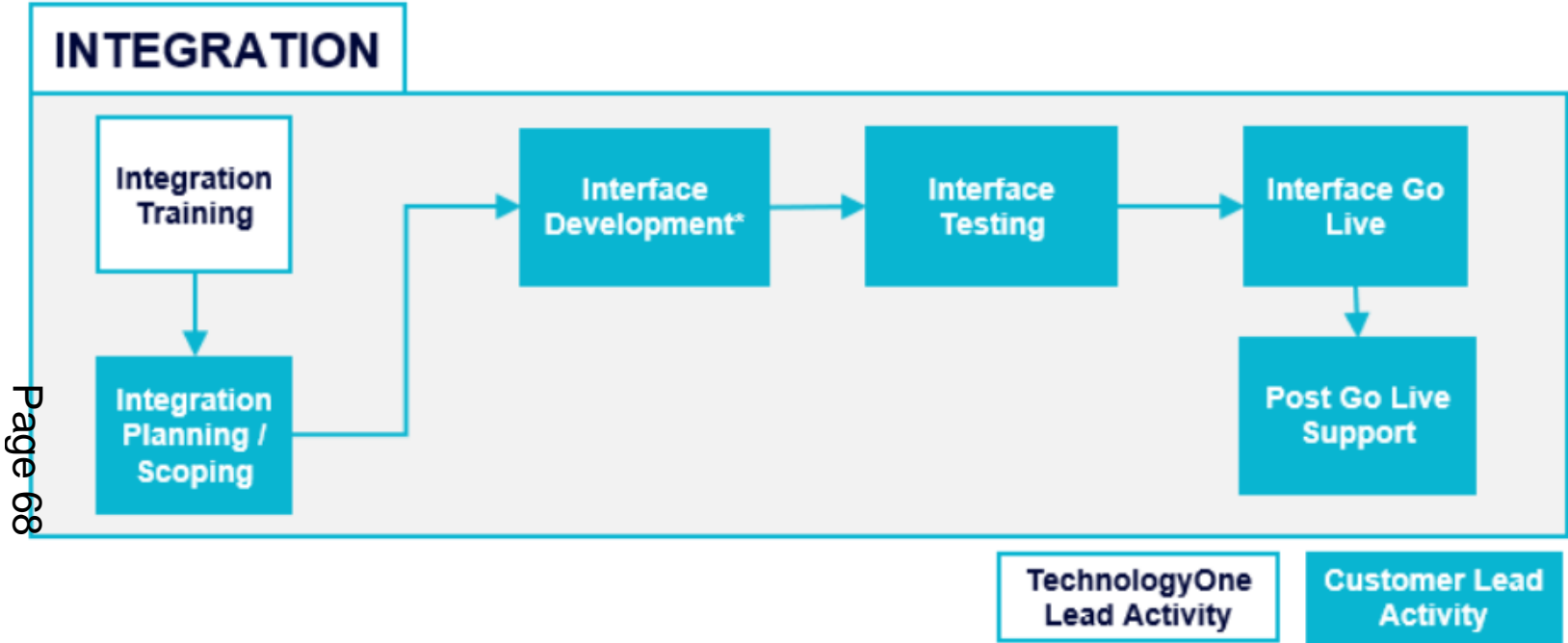
Figure 7 - Integration Activities

Name of Committee:	Cabinet		
Committee Date:	20th December 2023		
Report Title:	Quarter 2 Financial Report & Budget Monitoring		
Responsible Officer:	Steven Pink – Chief Finance Officer & S151 Officer		
Cabinet Lead:	Councillor Bowdell – Cabinet Lead for Finance		
Status:	Non-Exempt		
Urgent Decision:	~~Yes~~ / No	**Key Decision:**	~~Yes~~/ No
Appendices:	Appendix A – Q2 (M6) Budget Monitoring Dashboard Appendix B – Q2 (M6) Performance Dashboard Appendix C – Q2 (M6) Capital Programme Monitoring Appendix D – Q2 (M6) Prudential Indicators		
Background Papers:	None		
Officer Contact:	Name: Steve Pink Email: steven.pink@havant.gov.uk		
Report Number:	HBC/060/2023		

Corporate Priorities:
The financial performance of the authority's budget has an overarching impact on all corporate priorities and the Council's ability to deliver against them.

Executive Summary:

The Quarter Two forecast outturn shows an estimated forecast deficit of £942k. This is a significant reduction from the £1.7M forecast overspend at Quarter One.

This forecast is based on as "as is" basis. Whilst much work has been done to reduce the forecast overspend from Quarter One, there are still several measures planned that will bring this forecast down further. However, they are yet to be triggered, hence the forecast shows the position as if we carried on at current spending and activity levels for the remainder of the year.

Some of the overspend in Quarter One was driven by legacy costs arising from the exit of the partnership with East Hampshire District Council. Month on month, these costs have been reducing and the baseline "run rate" is now much closer in line with budget. Whilst we are still forecasting an overspend. This reducing run rate can give members confidence leading to both year-end and how the budget will perform in the next financial year.

We are also estimating a total of approximately up to £500k in additional mitigations yet to be actioned. It is considered that the final outturn could fall to under £500k overspent if the good work to date is continued.

This should give members some comfort that overall health of the Council's finances is in reasonable shape, but also that we cannot be complacent with the position.

Recommendations:

Cabinet is requested to note:

   i.   The revenue forecast outturn for Q2 2023/24 (Appendix A)
   ii.   Q2 2023/24 performance information (Appendix B)
   iii.   Q2 2023/24 Capital Programme monitoring (Appendix C)
   iv.   Q2 2023/24 Prudential Indicators (Appendix D)

1.0   Introduction

1.1   This paper is submitted to Cabinet to note the financial and performance position of the Council as of quarter two of the 2023/24 financial year.

2.0   Background

2.1   It is a recognised requirement of Havant Borough Council's governance procedures that a report on the financial performance of the authority is presented to Cabinet on a quarterly basis.

2.2   Havant Borough Council has been through a significant transformation programme in exiting from its partnership with East Hampshire District Council. Quarter Two of the 2023/24 financial year allows us to develop our understanding of the changing landscape since becoming a stand-alone Local Authority once again. Especially considering the operational and contractual implications.

2.3   There are still some financial impacts of the change process present, but these are starting to return to more normal and sustainable levels as the year progresses.

3.0   Relationship to the Corporate Strategy

3.1   Without strong financial oversight and management, fair allocation of resources to deliver the corporate strategy would be at risk.

3.2   It would also be very difficult to measure performance in delivering core services and strategic priorities without understanding the financial context.

4.0   Revenue Budget Monitoring

4.1   Based on financial data up to 30th September 2023 (month six, or the end of Quarter Two). The Council's forecast outturn position for the year ending 31st March 2024 is currently £942,383 overspent.

4.2   The table below shows the forecast by Executive Service area.

Directorate	Sum of Annual Budget	Sum of YTD Actual P6	Sum of Full Year Forecast (FOT)	Forecast Over /Underspend (-)	Movement
Coastal Partnership	422,298	811,683	422,298	-0	⟵⟶
Commercial	6,946,265	2,151,202	7,727,322	781,057	⬇
Internal Services	4,598,944	3,164,504	3,875,603	-723,341	⬆
Place	1,769,434	1,242,705	1,876,390	106,956	⬇
Housing & Communities	1,427,638	-340,689	2,056,100	628,462	⬆
Regeneration	-796,413	71,973	-647,165	149,248	⬆
Grand Total	**14,368,166**	**7,101,377**	**15,310,549**	**942,383**	⬆
Pay inflation (in reserves)*	1,266,352				⟵⟶
Total	**15,634,518**	**7,101,377**	**15,310,549**	**942,383**	⬆

Page 71

4.3   The next table shows the forecast by spend category.

Spend Category	Sum of Annual Budget	Sum of YTD Actual P6	Sum of Full Year Forecast (FOT)	Sum of Forecast Variance	Movement
Direct Staffing	14,802,331	6,966,184	14,302,643	-499,688	⬆
Staffing Costs	-46,241	874,870	1,260,551	1,306,792	⬇
Premises Costs	1,481,237	1,198,278	1,781,796	300,559	⬆
Vehicle Costs and Travel	130,010	35,407	129,742	-268	⬆
Income	-47,340,188	-20,746,687	-45,983,358	1,356,830	⬇
Contract Payments and recharges	19,392,344	4,035,795	19,419,071	26,727	⬆
Supplies and Services	6,760,752	4,395,792	8,720,277	1,959,525	⬆
Statutory Payments	23,956,904	10,202,483	20,571,122	-3,385,782	⬆
Recharge Income	-4,032,383	45,430	-4,032,241	142	⬇
Depreciation	0	0	0	0	⬅⮕
Movement to Reserves	-958,000	0	-1,200,000	-242,000	⬅⮕
Premises Costs - Utilities	221,400	93,827	340,945	119,545	⬇
Total	14,368,166	7,101,377	15,310,549	942,383	⬆

4.4   Further detail on the breakdown of the forecast by Executive and Service area can be found in the Budget monitoring dashboard in appendix A. This dashboard is now produced monthly and reported to the Executive Leadership Team and key portfolio holders to ensure greater awareness and so that any urgent action can be taken as soon as identified.

5.0   Capital Programme

5.1   The Council approved its 2023/24 Capital budget in February 2023. Current capital projects Include:

- £1.65m for the demolition of Bulbeck Road Development
- £80k for new capital spend on Springwood Play Park funded by UKSPF.
- £100k in relation to Changing Places - Accessible Toilets
- £100k Garden Waste Program
- 80k Open Space & Play Area improvement.
- £1.6m (revised circular received for 1.9m) – Disabled facilities Grant.
- £425k Hayling Island Beach management
- £456K Langstone repairs and FCERM

5.2   Further detail on the monitoring of capital spend can be found in appendix C

6.0   Aged Debt

6.1 Between Quarter One and Two the movement on the Aged Debt has increased by £404k, which is the net effect of invoices not paid to the Council between quarters.

6.2 As demonstrated by the analysis below, the debt is ageing mainly by the increased balance in 31-90 days.

Date		Balance	Within 30	31 - 90	91 - 180	181 - 365	Over 1 Year	Over 2 Years
01/07/2023	Qtr1	1,437,117	435,894	72,891	125,456	122,108	155,136	525,633
02/10/2023	Qtr2	1,840,648	514,125	396,016	51,730	168,763	188,545	521,469
	Diff	403,531	78,231	323,125	-73,726	46,655	33,409	-4,164
			19%	80%	-18%	12%	8%	-1%

6.3 £13k has been written off this quarter.

6.4 Debt collection and accounts receivable (AR) was identified via our internal audit function as an area of concern. An improvement plan was drawn up in June including a new policy and several processes. This is now in action, but it will take further time for these new processes to be embedded into daily operations.

7.0 Prudential Indicators

7.1 The Authority measures and manages its capital expenditure and borrowing with reference to a series of prudential indicators.

7.2 It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis, and you can see these indicators in detail in appendix D.

8.0 Performance

8.1 A summary of the quarter's key performance indicators is included in Appendix B and shown in our corporate performance scorecard.

8.2 Housing: the number of temporary accommodation placements in Q2 was around half what it was in Q1 (going from 202 to 107), which is a welcome trend. A significantly smaller proportion of these were in B&B type accommodation, instead of being placed in self-contained accommodation or supported accommodation. Fewer lets were agreed via Hampshire Home Choice in Q2 (this is dependent on the availability of accommodation), however, the number of households on the waiting list has decreased slightly.

Page 73

8.3   Internal Services: response times for information requests are all within target. Within HR, sickness has returned to a more normal level in Q2 from an unusually low figure in Q1, likely because of service managers being reminded about the importance of recording sickness absence. The number of unique visitors to the Council website increased by around 50% from Q1 to Q2 (75,000 in Q1 to 113,000 in Q2) which coincides with the launch of the new website.

8.4   Environmental Services: The client liaison team have been working with our colleagues at Norse to establish and report a comprehensive suite of performance metrics, to cover services such as household waste collection including bulky waste, street cleaning, grass cutting, allotments management, and play park inspections. Not all of these measures can be reported at the current time, but work is underway to either collect the data (where it currently does not exist) or extract it from systems, with a view to providing the full suite from April 2024 onwards. The number of missed bins particularly for the garden waste service has decreased in Q2 compared to Q1. Contamination of recycling is still higher than it should be (Havant consistently scores towards the bottom of the Hampshire league table on this metric). Vacancy rates and debt levels across investment property portfolio remain low. Further detail around the performance of the portfolio will be included in future reporting after the implementation of the property asset management system during Q4.

8.5   Customer Services: the percentage of calls answered within 20 seconds was back on target again for Q2. There was a significant decrease in the number of complaints received in Q2 (117, compared to 230 received in Q1), driven by a decrease in the number of complaints about the waste collection service (166 in Q1, 55 in Q2). The 55 waste collection complaints received during Q2 is by far the lowest quarterly figure in the last 18 months (compared to 220 in Q2 2022-23, 92 in Q3 2022-23, 120 in Q4 2022-23 and 166 in Q1 2023-24) which reflects the stabilisation of this service following the Covid-19 pandemic and the national shortage of HGV drivers.

8.6   Revenues and Benefits: The average processing time for benefits claims was back within target again in Q2 for both new claims and 'change events' (the 'change events' figure was slightly off target in Q1).

8.7   Planning: metrics are generally within target, although there remain issues with the validation of all applications and the deciding of discharge of conditions applications being well below target. These have been consistently low for several quarters now.

8.8   Environmental Health: the team are now able to report some metrics for Private Sector Housing including Disabled Facilities Grants, Pollution, and Pest Control, with more to come in Q3.

Page 74

8.9   Climate and Environment: We are tracking utilities usage in the Plaza (electricity, gas and water) as well as printing, as proxy measures for the council's carbon footprint.

8.10   The corporate performance scorecard is being continually developed. There are still areas where we do not have data to report but this is being worked on and each quarter further metrics will be added to the tool. In addition, we have begun monitoring the proposals for the Office for Local Government (Oflog)'s Local Authority Data Explorer and what metrics we will need to start collecting. In the corporate performance scorecard, metrics which are proposed to be included in this reporting have been marked with an 'Oflog metric' button.

8.11   We are continuing to work with services to review their KPIs, improve efficiency and accuracy of data collection and reporting, and develop the availability and quality of corporate performance information that is provided.

9.0   Conclusion

9.1   Much work has been done to reduce the forecast overspend of £1.7m reported in quarter one. The reduction of ~£800k has been achieved via a number of initiatives including reduction in use of external consultants and agency, improved treasury management plans and changes in how we approach managing temporary accommodation placements.

9.2   Despite this, it is clear more work is needed to reduce the forecast further. Maximising our remaining treasury funds, further reducing agency spend, improving our use of grant income and careful management of our vacancies could yield up to a further £500k improvement.

9.3   There are still many unknowns in the remaining half of the year that could significantly impact the final outturn position. Parking and planning incomes are fluctuating wildly and unsecure, and the volumes of temporary housing requirements could be significantly impacted by changes to the economic climate as much as they can by the severity of our winter months. The current forecast is making prudent assumptions as to avoid any unwelcome surprises.

9.4   The Council's performance indicators are showing a general upward trend of improving performance. There are still some areas of concern and the processes for monitoring, challenging and improving performance across the Council are under continual review.

10.0   Implications and Comments

10.1 S151 Comments

Members should take comfort that the Council has taken action on the quarter one forecast overspend and have been working hard to bring this figure down, all whilst, not just maintaining the current standard of service to the residents of the Borough, but whilst improving standards and identifying and implementing plans to improve the services further.

It is important that the Councils keeps up this momentum to bring down the ongoing costs to within the agreed budget before the year-end.

10.2 Financial Implications

There are no direct financial implications from the report itself, but failure to recognise the financial position of the Council and take measures to limit its exposure the forecast overspend would have secondary financial implications.

10.3 Monitoring Officer Comments

This paper is submitted to Cabinet to provide strategic overview of the Council's performance during Q2 2023/24 and, in part, relates to priorities in the Council's Corporate Strategy.

It is important for the openness and transparency of local government that budget and performance data is published in a clear and accessible way.

10.4 Legal Implications

There are no direct legal implications arising from the report itself.

10.5 Equality and Diversity

These recommendations comply with our internal Equality and Diversity policy and practises where applicable.

10.6 Human Resources

These recommendations have been considered in line with current HR policies and best practise.

10.7 Information Governance

These recommendations have been considered in line with current information and governance guidelines.

10.8 Climate and Environment

11.0 Risks

11.1 Failure to track and monitor the budget regularly would put at risk the Council's ability to manage its finances and take appropriate action in a timely manner if required to mitigate any financial risks identified.

12.0 Consultation

12.1 Not applicable

13.0 Communications

13.1 No applicable

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr N Bowdell	12/12/2023
Executive Head:	Matt Goodwin	11/12/2023
Monitoring Officer:	Jo McIntosh	12/12/2023
Section151 Officer:	Steven Pink	27/11/2023

Page 77

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Havant
BOROUGH COUNCIL

Financial Performance and Forecast Outturn Report

Month:	Quarter 2 - September 2023
For Actuals up to:	Quarter 2 - P6 – September 2023
Report Author:	Sonia Dent & Louise Thornton-Turp

Executive Summary:

Havant Borough Council's net revenue budget forecast £0.9m overspent by the year ending 31st March 2024.

This is set against a cash limited budget of £15.6m. Neither the costs nor the budget for the impending 2023/24 pay award are included in the forecast figures, these are shown within the "pay inflation" line.

Directorate	Sum of Annual Budget	Sum of YTD Actual P6	Sum of Full Year Forecast (FOT)	Forecast Over /Underspend (-)	Movement
Coastal Partnership	422,298	811,683	422,298	-0	⟵⟶
Commercial	6,946,265	2,151,202	7,727,322	781,057	⬇
Internal Services	4,598,944	3,164,504	3,875,603	-723,341	⬆
Place	1,769,434	1,242,705	1,876,390	106,956	⬇
Housing & Communities	1,427,638	-340,689	2,056,100	628,462	⬆
Regeneration	-796,413	71,973	-647,165	149,248	⬆
Grand Total	**14,368,166**	**7,101,377**	**15,310,549**	**942,383**	⬆
Pay inflation (in reserves)*	1,266,352				⟵⟶
Total	**15,634,518**	**7,101,377**	**15,310,549**	**942,383**	⬆

Havant
BOROUGH COUNCIL

August 2023 Budget Monitoring

Management Response:

Havant Borough Council has been facing unexpected cost pressures across service areas, including temporary housing, parking services and commercial services. Some legacy costs after the separation from East Hampshire have negatively impacted the first half of 2023/24. These are being worked through to bring the baseline spend down to budgeted levels.

The major demand led pressure comes from homelessness and temporary housing. This overspend must be tackled in a strategic way and some elements are outside of the Council's control.

The Executive concludes to undertake a financial review of these areas and requires regular reports to cabinet to support evidenced based decision making.

Coastal Partnership	Sum of Annual Budget	YTD Actual (P6)	Full Year Forecast (FOT)	Forecast Variance	Movement
CELT	307,512	288,661	307,512	0	⟺
Coastal	1	461,782	1	-0	⟺
Coastal Partnership Total	**307,513**	**750,443**	**307,513**	**-0**	⟺

Management Response: Coastal

Coastal asset maintenance budget is already fully committed and will require contingency funds if there is a need to respond to significant failures of the fragile structures for H&S issues but have hope nothing significant fails over the winter period.

Page 80

Havant
BOROUGH COUNCIL

Commercial	Sum of Annual Budget	YTD Actual (P6)	Full Year Forecast (FOT)	Forecast Variance	Movement
5 Councils Staff and Contract	1,630,983	288,053	1,751,100	120,117	⬇
Digital	1,531,889	438,973	1,552,059	20,170	⬆
Environmental Services	4,684,754	1,513,690	4,906,538	221,784	⬇
Procurement	144,124	88,200	178,410	34,286	⬇
Property	-1,045,485	-177,715	-660,785	384,700	⬆
Commercial Total	**6,946,265**	**2,151,202**	**7,727,322**	**781,057**	⬇

Management Response: Commercial

- **5 Councils Staff and Contract.** Unbudgeted cost of £106k for GIS and Land Charges service provision for FY22/23 and FY23/24. Salary budget changes £14k.
- **Digital:** Unbudgeted cost of £24k for Astun software to support GIS for FY22/23 and FY 23/24.
- **Environmental Services.** Unbudgeted cost of £96k for agency staff for specialist support. Most of this cost has been covered through staff vacancies but budget uplift requested to cover this cost is being requested from reserves. Subject to ongoing business case approval. Unbudgeted cost of £128k for Fuel and Staff.
- **Procurement.** Procurement contract being re-procured to reduce variation of £34k.
- **Property:**
- Staff underspend of –(£137k) off set against agency fees of £237k. Includes agency fees of £35k for support to Regen work. Agency staff should reduce, recruitment of permanent staff progressing well.
- Budgeted -(£242k) for MRP that has not been required.
- Unbudgeted income from parking & cost of £134k.

- Unbudgeted cost of £16k for Insurance charges.
- Unbudgeted cost of £75k for valuation fees.
- Pressure of £99k created by utilities inflation and rate increase. Managing closely, forecast down from £115k in last quarter.
- Pressure of £37k on rental income against a challenge of £82k. The trend continues to be positive but too early to forecast.
- Current pressure of £160k on delayed income for Lorry Park. Negotiations have not been agreed and the Lorry Park Income will not be received. Meridian Centre loss of income emerging following Wilco default. Mitigations to minimise voids being pursued.

Page 81

Housing & Communities	Sum of Annual Budget	YTD Actual (P6)	Full Year Forecast (FOT)	Forecast Variance	Movement
Communities	623,647	-75,001	653,360	29,713	⬇
Housing	803,991	-265,688	1,402,740	598,749	⬆
Housing & Communities Total	**1,427,638**	**-340,689**	**2,056,100**	**628,462**	⬆

Management Response: Housing & Communities

The number of those placed in temporary accommodation by the Council fluctuates on a weekly basis but remains high at around 90 households. This pressure is common across the Hampshire region.

It should be noted that there are associated financial pressures on the Council including paying for storage for household items and payment for customers rental deposits and rent in advance in accordance with the Homeless Reduction Act 2017. The housing service is continually assessing its response to this external demand to obtain best value for the Council and the best outcomes for our 'customers. This includes a focus on homelessness prevention as well as intensive work to move those in temporary accommodation into settled housing. The Council has also agreed to acquire temporary accommodation to be owned by the Council and managed in partnership. The acquisition of its own temporary accommodation will enable the council to control overheads and maximise housing benefit contributions. This will have an impact on predicted variance in the cost of housing in the longer term.

Month	Number in temporary accommodation	Temporary accommodation cost	Homelessness Cost	Total Cost
Apr-23	95	125,427	63,190	188,617
May-23	90	220,113	43,858	263,971
Jun-23	115	235,986	34,033	270,019
Jul-23	91	230,413	31,861	262,274
Aug-23	97	264,541	22,089	286,630
Sept-23	90	141,944	10,463	152,407
Housing Total	**578**	**1,218,423**	**205,495**	**1,423,918**

Havant
BOROUGH COUNCIL

Number in temporary accommodation
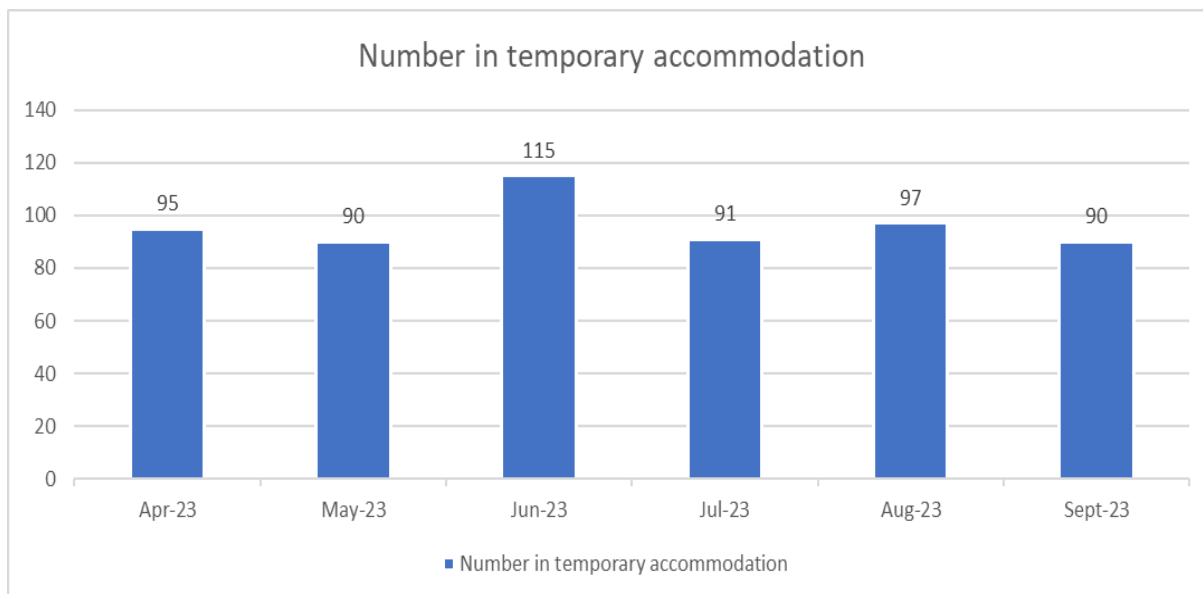
Internal Services	Sum of Annual Budget	YTD Actual (P6)	Full Year Forecast (FOT)	Forecast Variance	Movement
Corporate Support	168,130	79,494	162,737	-5,393	⬇
Democratic	574,774	297,081	645,269	70,495	⬆
Elections	326,040	309,808	438,566	112,526	⬇
Emergency Planning	69,463	48,738	86,210	16,747	⬆
Executive Office	1,096,891	670,290	1,115,387	18,496	⬆
Facilities	445,674	228,394	469,352	23,678	⬆
Finance	1,283,257	540,627	1,334,993	51,736	⬆
Finance - Interest on Investments	-1,225,461	0	-2,250,000	-1,024,539	⬆
Human Resources	327,967	238,354	364,744	36,777	⬆
Legal	472,696	253,169	473,958	1,262	⬆
Mayoral	102,607	47,979	105,278	2,671	⬆
Strategy Unit	956,906	450,569	929,109	-27,797	⬇
Internal Services Total	**4,598,944**	**3,164,504**	**3,875,603**	**-723,341**	⬆

Management Response: Internal Services

Internal Services are forecasted to "underspend" against budget by £723k. However, this is primarily driven by overachievement on the investment income line. There are cost pressures, to recognise and address. These are as follows:

An overspend on election costs. All such spend is necessary, to run a safe and legal election. Additional funding is being sought from HMG, to mitigate in year. For next year, budget setting will look at a "levelled out" four-year plan and will highlight proposals to save money.

An overspend on Democratic Services and Councillor Allowances. The service will look to mitigate via opportunity underspends elsewhere and minimising further agency spend. However, annual uplifts in Councillor Allowances should be budgeted for, as is done with annual pay increases.

Page 83

Havant
BOROUGH COUNCIL

The Langstone Harbour Board precept will, ultimately, require a draw on reserves this year. Longer term, options to address are being developed, to minimise LHB calls on precepting authorities and to ensure precept elements are correctly treated.

Low level cost pressures in other services will be addressed via "in year" action, and use of underspends in other appropriate lines.

Place	Sum of Annual Budget	YTD Actual (P6)	Full Year Forecast (FOT)	Forecast Variance	Movement
Building Control	78,532	47,660	107,442	28,910	⬇
Climate	40,000	0	50,970	10,970	⬇
Environmental Health	1,033,291	500,932	718,531	-314,760	⬆
Licensing	-12,494	60,224	114,477	126,971	⬇
Planning	630,105	633,890	884,970	254,865	⬇
Place Total	**1,769,434**	**1,242,705**	**1,876,390**	**106,956**	⬇

Management Response: Place

Income low on Planning and Licencing plus high agency costs (Environmental Health), the number of agency staff have now been reduced. Ecologist salary partly funded by New Burdens Grant; this isn't shown in the forecast. Comment from AR - Income continues to underperform against forecast and continued reliance on agency staff in Environmental Health and Planning increasing budget pressures. Efforts to reduce agency overspend continuing.

Regeneration	Sum of Annual Budget	YTD Actual (P6)	Full Year Forecast (FOT)	Forecast Variance	Movement
Enforcement	444,586	192,983	342,165	-102,421	⬆
Parking	-1,655,028	-583,291	-1,403,360	251,668	⬆
Regeneration & Economic	414,029	462,282	414,030	0	⬆
Regeneration Total	**-796,413**	**71,973**	**-647,165**	**149,248**	⬆

Management Response: Regeneration

Enforcement - Underspend down to vacancies held throughout the year whilst service reviews are conducted.

Parking - We look like we are forecast to overspend on repairs to £70k, non-domestic rates overspend is forecast to be £85k more than was budgeted for. We are forecasting to issue £60k more in PCN income in 23/24. Bank charges are forecast to be £36k higher.

Page 84

Havant
BOROUGH COUNCIL

Corporate performance scorecard

Click on the **Corporate Strategy** themes below to explore the measures that we are using to assess progress against our aspirations

WELLBEING
The health of our communities

PRIDE IN PLACE
Creating a great place to live, work and enjoy

GROWTH
Building our future

External   Internal

How to use this dashboard

Havant Borough Council's corporate performance scorecard is maintained by the Strategy Unit. Contact william.jackson@havant.gov.uk or georgie.thurlby@havant.gov.uk for more information.

WELLBEING
The health of our communities

Priorities for 2023-24

Reference number	Project	Initiative in Corporate Strategy ▲
P2	Play parks improvement programme	Continued delivery of improvements to our play parks to maintain and enhance play provision within the borough

Progress updates on these priority projects will be provided throughout the year.

How to use this dashboard

Benefits

Click on the benefits below to see the latest data for each topic and whether we are achieving the long-term outcomes we want

Reduction in homelessness

Increased activity among adults and children

Decrease in obesity within adult and child population

Reduction in anti social behaviour

Increase in engagement with local democracy and decision making

Improved perception of place

Increased use of walking, cycling and public transport

PRIDE IN PLACE

Creating a great place to live, work and enjoy

Priorities for 2023-24

Reference number	Project	Initiative in Corporate Strategy ▲
P8	Changing Places toilets	
P10	Hayling Island beachfront (including Chichester Ave)	Building on the improvements made at Hayling Seafront, utilising the Hayling Seafront Masterplan, to make it a destination place
P1	Installation of CCTV cameras in Waterlooville	Considering options for prevention of crime (particularly surveillance technologies) working in partnership with police
P5	Broadmarsh Coastal Landfill protection	Continued delivery of coastal protection and management projects including the Langstone Flood and Coastal Erosion Management Plan and Broadmarsh coastal landfill protection

Progress updates on these priority projects will be provided throughout the year.

How to use this dashboard

Benefits

Click on the benefits below to see the latest data for each topic and whether we are achieving the long term outcomes we want

Reduction in carbon emissions across the borough including in council operations

Improved biodiversity and provision of green space across the borough

Increase in available affordable homes

Improvement in recycling rates and reduction in contamination rates

Improved cleanliness and safety of public spaces

Reduction in fly tipping

High streets that residents are proud to visit

Improved perceptions of place – reputation as a 'place people want to be'

GROWTH
Building our future

External

Internal

Priorities for 2023-24

Reference number ▲	Project	Initiative in Corporate Strategy
P15	Achieving a sound Local Plan	Development and delivery of our Local Plan to ensure sustainable development in the borough in the coming decades
P6	Havant town centre Bulbeck Road car park demolition and redevelopment	Progressing the regeneration of Bulbeck Road car park site
P3	Plaza A to B Programme	Developing a regeneration plan for Havant Plaza and civic centre to make best use of the surrounding land

Progress updates on these priority projects will be provided throughout the year.

How to use this dashboard

Benefits

Click on the benefits below to see the latest data for each topic and whether we are achieving the long term outcomes we want

Increased investment in the borough, stimulating the local economy

Improved job opportunities

Decreased rates of unemployment

Increased sustainability of new developments

GROWTH
Building our future

External

Internal

Priorities for 2023-24

Reference number	Project	Initiative in Corporate Strategy
P3	Plaza A to B Programme	Review our approach to the use of the Plaza including our workstyles and facilities available

Progress updates on these priority projects will be provided throughout the year.

How to use this dashboard

Benefits

Click on the benefits below to see the latest data for each topic and whether we are achieving the long term outcomes we want

Council services that are fit for purpose and fit for the future, while remaining cost effective

Reduction in carbon emissions across the borough including in council operations

Increase in income from assets and selling services

Improved digital infrastructure
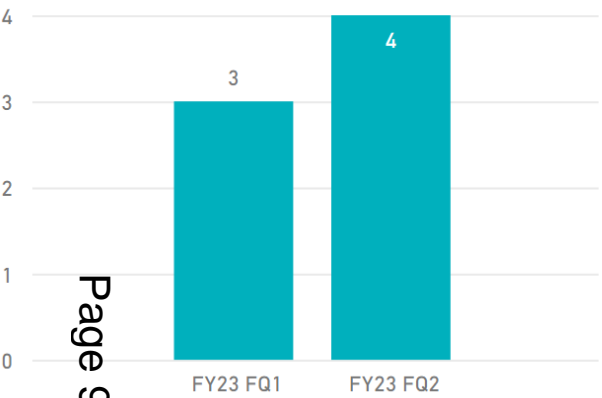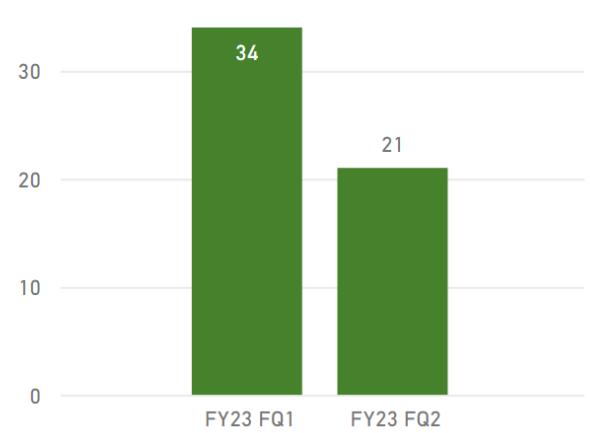
Housing and homelessness in the borough

Homelessness

We have a statutory duty to prevent and relieve homelessness in the borough,

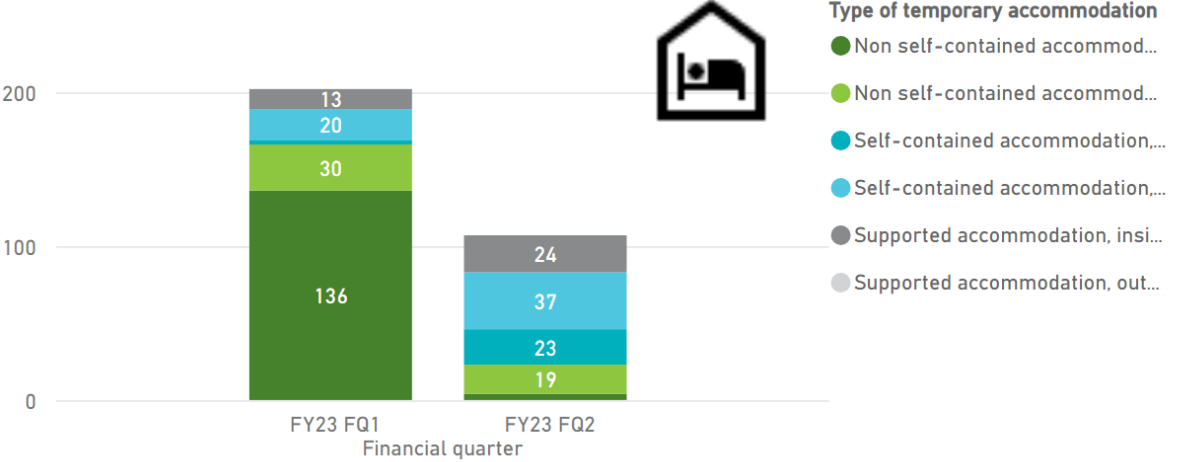### Rough sleepers in the borough
Average of monthly snapshot

FY23 FQ1	FY23 FQ2
3	4

Homelessness 'main duty' acceptances

FY23 FQ1	FY23 FQ2
34	21

Temporary accommodation placements

Type of temporary accommodation
- Non self-contained accommod...
- Non self-contained accommod...
- Self-contained accommodation,...
- Self-contained accommodation,...
- Supported accommodation, insi...
- Supported accommodation, out...

FY23 FQ1: 136, 30, 20, 13
FY23 FQ2: 19, 23, 37, 24

Financial quarter

See more data from the Housing team

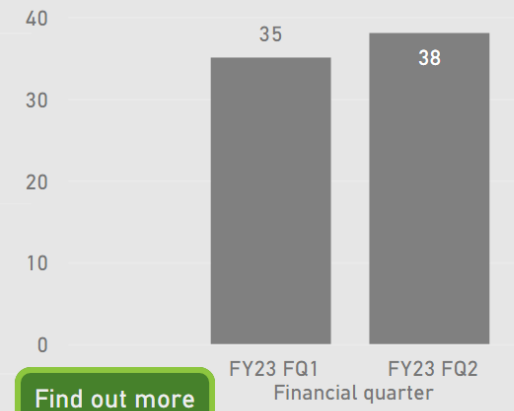Read our Homelessness and Rough Sleepers Strategy

Page 96

Housing supply

Though we don't have control over the housing market, there are several ways for us to improve the availability and suitability of housing in the borough - through mandating the inclusion of affordable housing in new developments via the planning development systems, to administering Disabled Facilities Grants to enable disabled residents to stay in their own homes, or by incentivising property owners to avoid their properties being vacant.

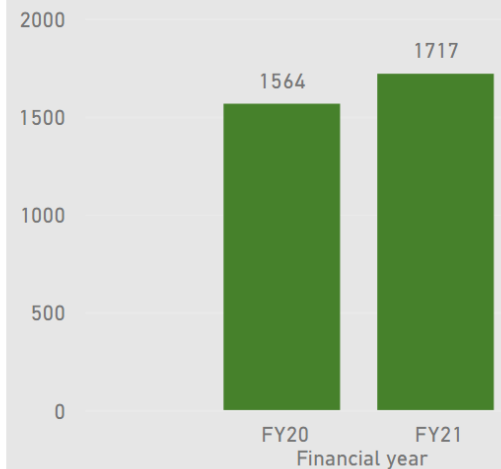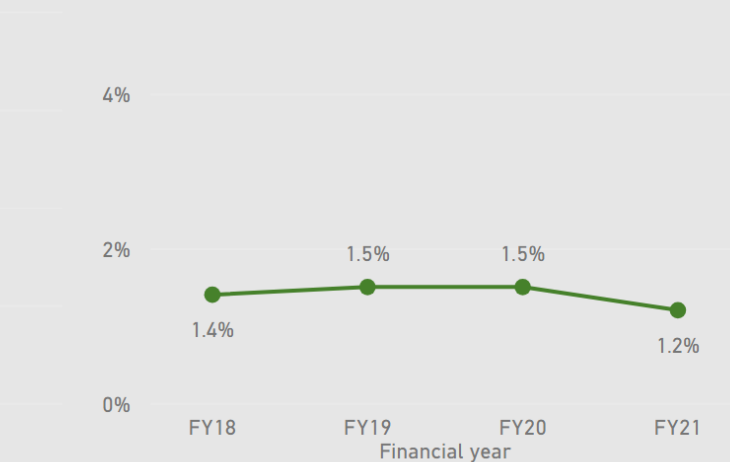### New affordable homes in the borough

FY22 FQ1	FY22 FQ2	FY22 FQ3	FY22 FQ4	FY23 FQ1	FY23 FQ2
9	33	24	88	36	54

Financial quarter
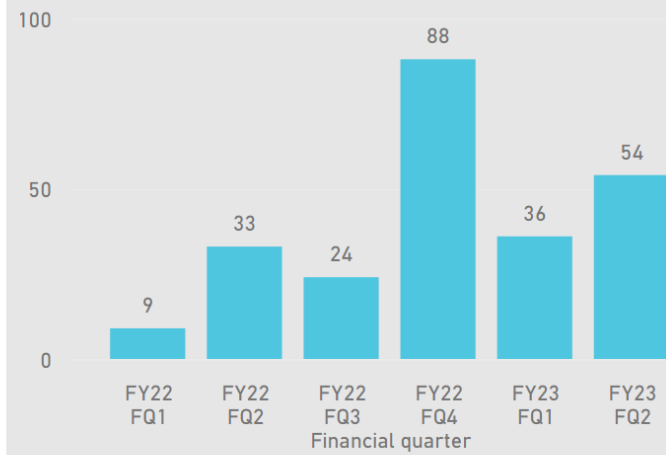
Disabled Facilities Grants approved

FY23 FQ1	FY23 FQ2
35	38

Financial quarter

Find out more about DFGs

Number of households on the housing waiting list as at 31st March

FY20	FY21
1564	1717

Financial year

Vacant dwellings in the borough
As a % of total housing stock

FY18	FY19	FY20	FY21
1.4%	1.5%	1.5%	1.2%

Financial year

Health and wellbeing

Leisure and physical activity

We are committed to enabling residents and visitors to live healthy lives through the provision of good quality leisure facilities and signposting a wide range of sports and activities.

2
leisure centres
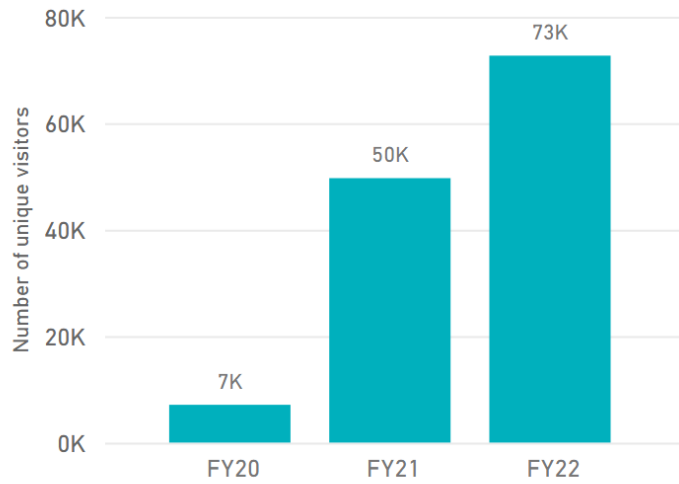
32
play parks

770
allotment plots

Find out more about the council's leisure centres

Find out more about the council's play parks

Find out more about the council's allotments

Visitors to council-owned leisure centres

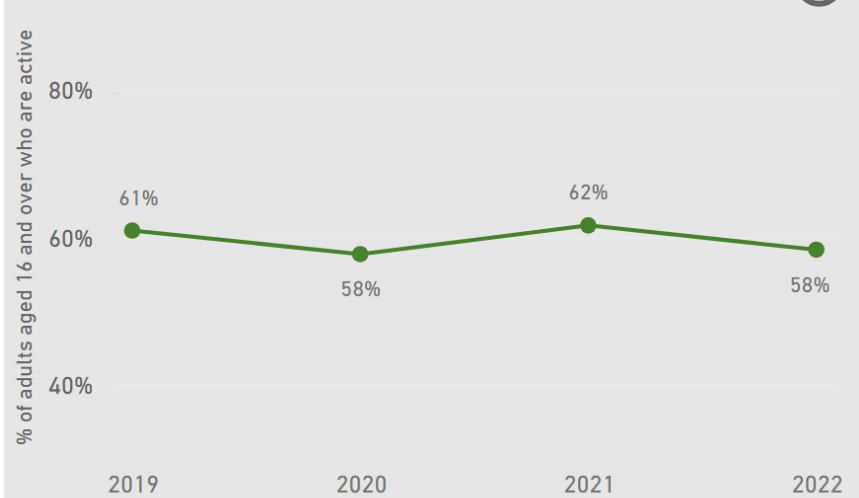Number of unique visitors

- FY20: 7K
- FY21: 50K
- FY22: 73K

get UP & go!

867
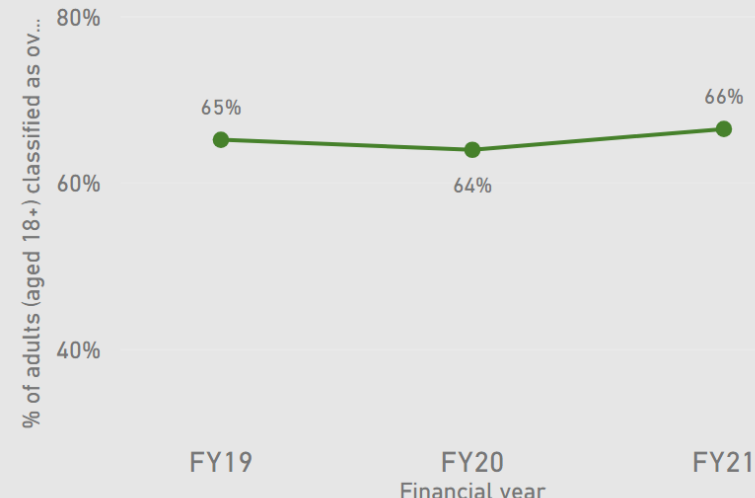Number of attendees to Get Up and Go programme 2019-21

50%
% of attendees who were still active 6 months later

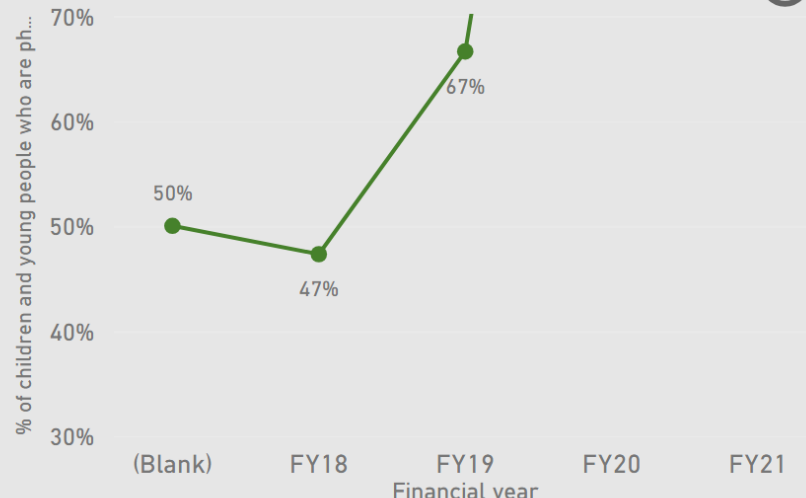Find out more about the council's Get Up and Go programme

Activity levels among adults

% of adults aged 16 and over who are active

- 2019: 61%
- 2020: 58%
- 2021: 62%
- 2022: 58%

Obesity among adults

% of adults (aged 18+) classified as ov...

- FY19: 65%
- FY20: 64%
- FY21: 66%

Financial year

Activity levels among children

% of children and young people who are ph...

- (Blank): 50%
- FY18: 47%
- FY19: 67%
- FY20
- FY21

Financial year

Climate and environment – carbon emissions in the borough

Read our Climate and Environment Strategy

Carbon dioxide emissions ⓘ

Carbon dioxide emissions per capita, in tonnes

(Line chart showing carbon dioxide emissions per capita from 2018 to 2032, declining from about 3.6 tonnes in 2018 to around 1.7 tonnes by 2031, with a shaded projection band.)
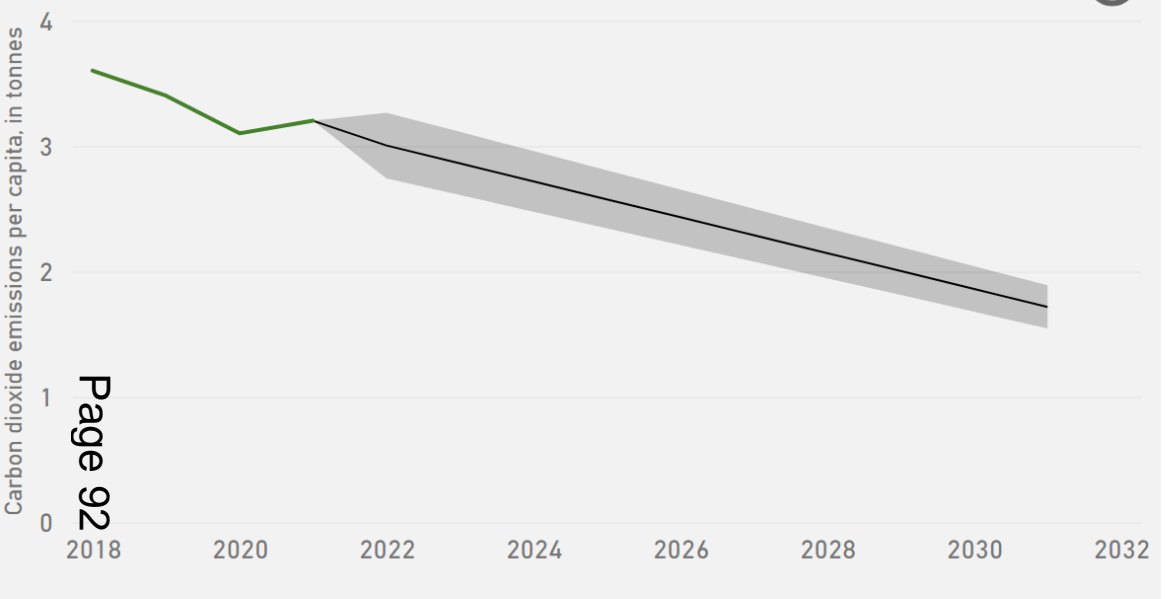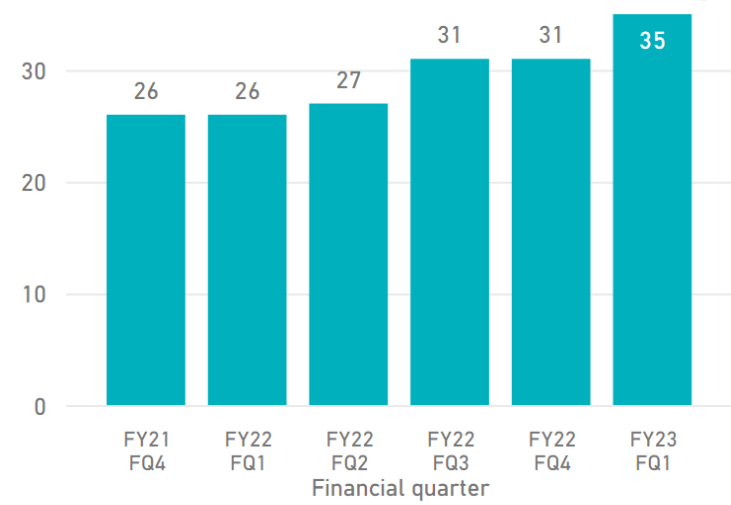
Sustainable transport methods

Publicly available electric vehicle charging points in the borough ⓘ

Financial quarter	Value
FY21 FQ4	26
FY22 FQ1	26
FY22 FQ2	27
FY22 FQ3	31
FY22 FQ4	31
FY23 FQ1	35

Find out about what the council is doing to reduce its own carbon emissions
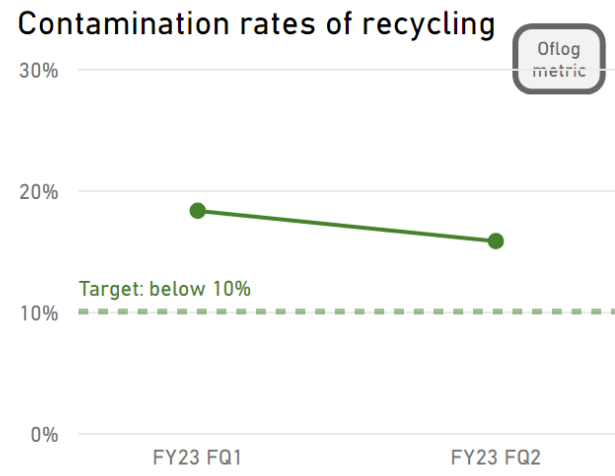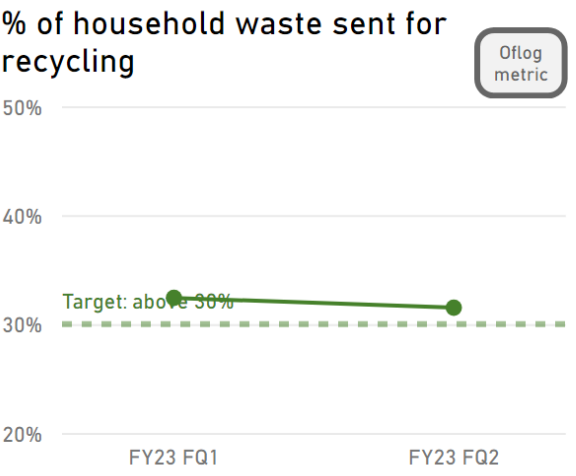
% of usual residents who travel to work by bicycle or by foot ⓘ ⓘ

● % of usual residents aged 16–74 who travel to work by bicycle ● % of usual residents aged 16–74 who travel to wor…

(Line chart from around 2011 to 2021 with two lines: the top green line declining from about 8% to 5.7%, and the bottom dark green line declining from about 3% to 2.1%.)

Recycling and waste

% of household waste sent for recycling
Oflog metric

Target: above 30%

FY23 FQ1	FY23 FQ2

Contamination rates of recycling
Oflog metric

Target: below 10%

FY23 FQ1	FY23 FQ2

Climate and environment – biodiversity and nature

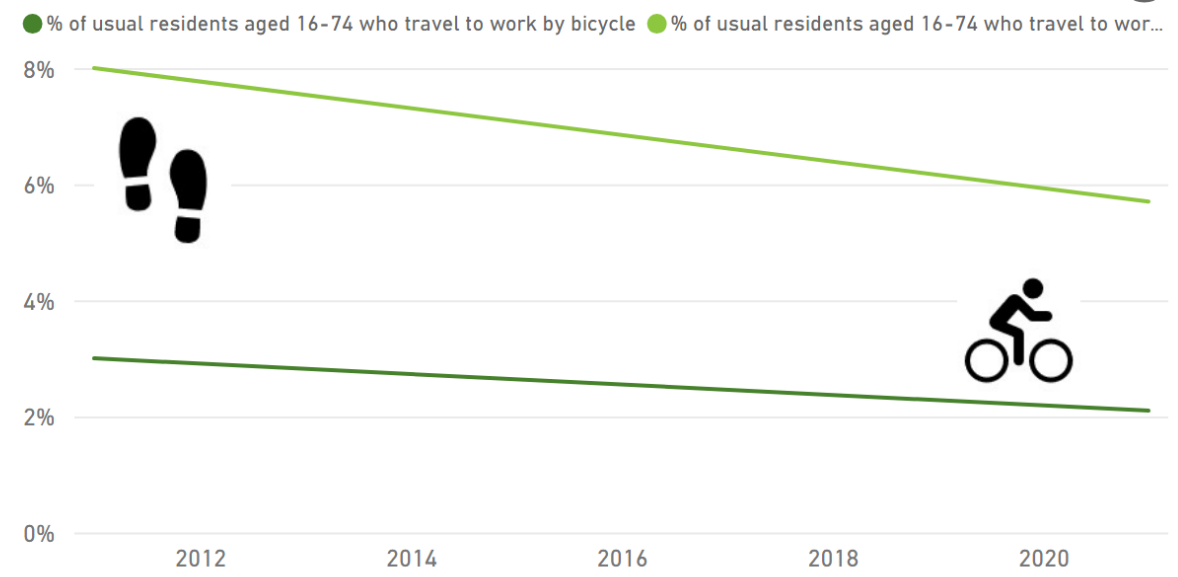Read our Climate and Environment Strategy

Find out about carbon emissions for the whole borough

Biodiversity and wildlife

Find out about what the council is doing to reduce its own carbon emissions

Nutrient neutrality

Nutrient neutrality data will be added here when available

Planning conditions data will be added here when available

Find out more about our nutrient neutrality approach

Open spaces

Open spaces data will be added here when available

View data on fly tipping

Climate and environment – the council's carbon footprint
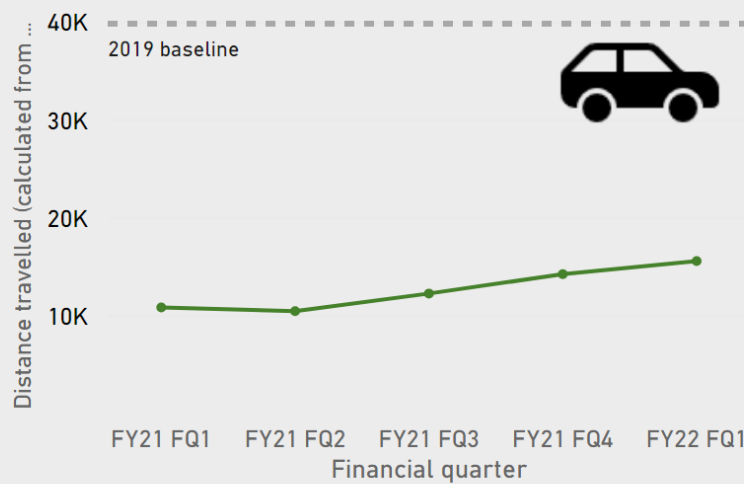
Carbon emissions from council activity

We have a responsibility to reduce our carbon emissions to net zero by 2050 at the latest, but are aiming to make improvements before then. We are using the average data from 2019 (where we hold it) as a pre-pandemic baseline.
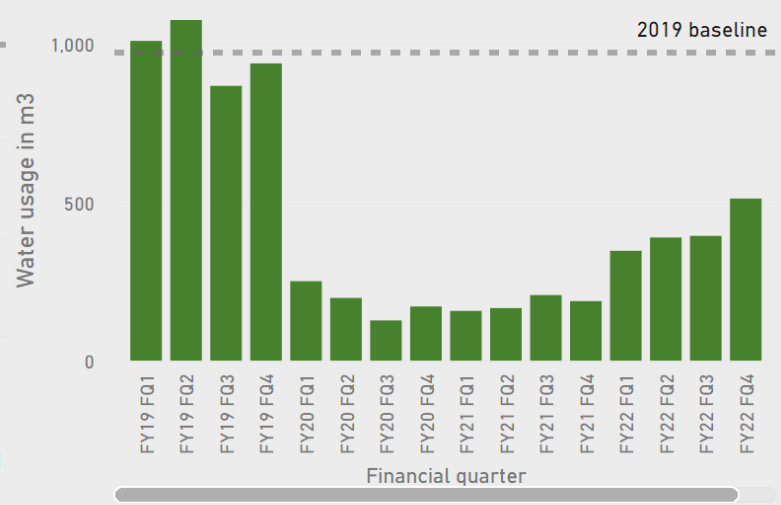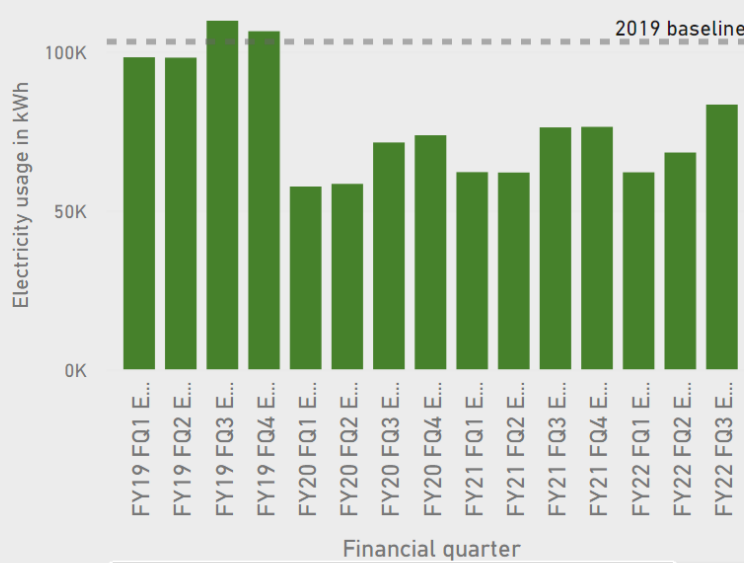
Read our Climate and Environment Strategy

Find out about carbon emissions for the whole borough

Find out about what we are doing to improve biodiversity and protect our green spaces

View data on waste and recycling in the borough

Printing

Number of pages printed using MF...

80K
60K
40K
20K

FY22 FQ1   FY22 FQ2   FY22 FQ3   FY22 FQ4   FY23 FQ1   FY23 FQ2

Financial quarter

Find out more about our digital infrastructure

Business miles travelled by staff

40K — 2019 baseline
30K
20K
10K

Distance travelled (calculated from...

FY21 FQ1   FY21 FQ2   FY21 FQ3   FY21 FQ4   FY22 FQ1

Financial quarter

Water usage in council offices

2019 baseline

1,000
500
0

Water usage in m3

FY19 FQ1, FY19 FQ2, FY19 FQ3, FY19 FQ4, FY20 FQ1, FY20 FQ2, FY20 FQ3, FY20 FQ4, FY21 FQ1, FY21 FQ2, FY21 FQ3, FY21 FQ4, FY22 FQ1, FY22 FQ2, FY22 FQ3, FY22 FQ4

Financial quarter

Electricity usage in council offices

2019 baseline

100K
50K
0K

Electricity usage in kWh

FY19 FQ1 E..., FY19 FQ2 E..., FY19 FQ3 E..., FY19 FQ4 E..., FY20 FQ1 E..., FY20 FQ2 E..., FY20 FQ3 E..., FY20 FQ4 E..., FY21 FQ1 E..., FY21 FQ2 E..., FY21 FQ3 E..., FY21 FQ4 E..., FY22 FQ1 E..., FY22 FQ2 E..., FY22 FQ3 E...

Financial quarter

Gas usage in council offices

200K
100K — 2019 baseline
0K

Gas usage in kW

FY19 F..., FY19 F..., FY19 F..., FY19 F..., FY20 F..., FY20 F..., FY20 F..., FY20 F..., FY21 F..., FY21 F..., FY21 F..., FY21 F..., FY22 F..., FY22 F..., FY22 F...

Financial quarter
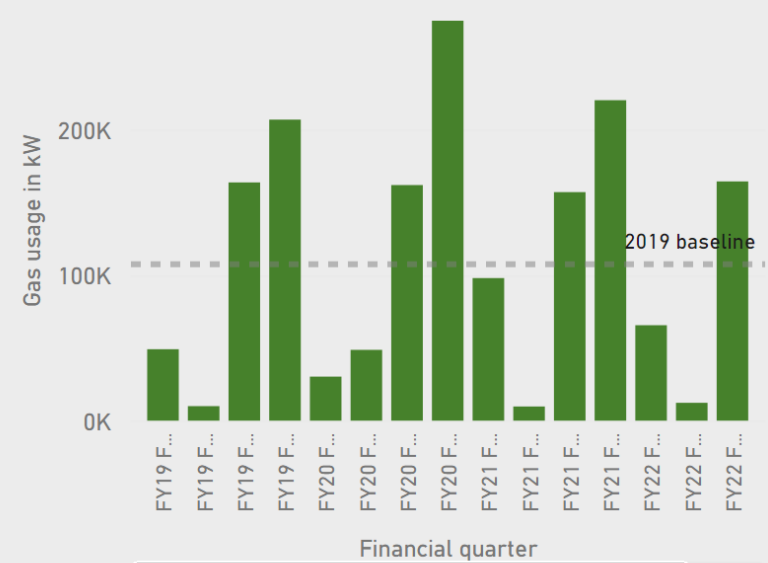
Employment and skills

Read our Regeneration and Economy Strategy

Youth Hub - number of young people supported by the service to date

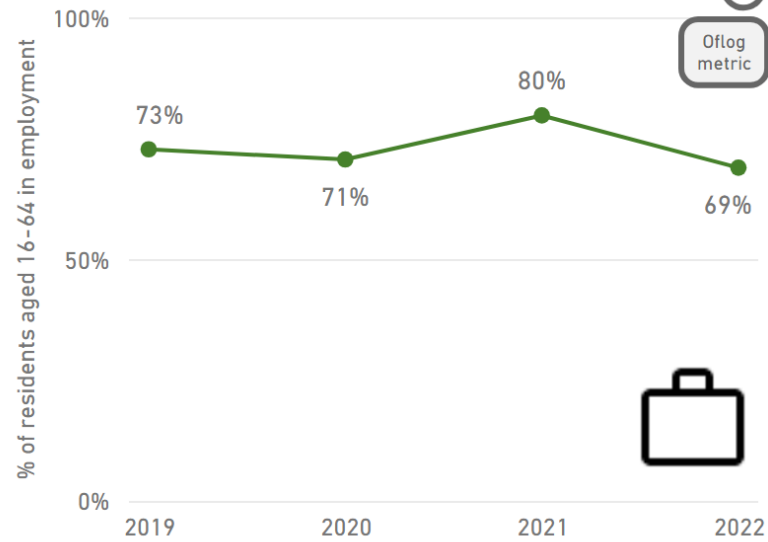**Find out more about the Youth Hub**

Residents' survey data will be added here when available
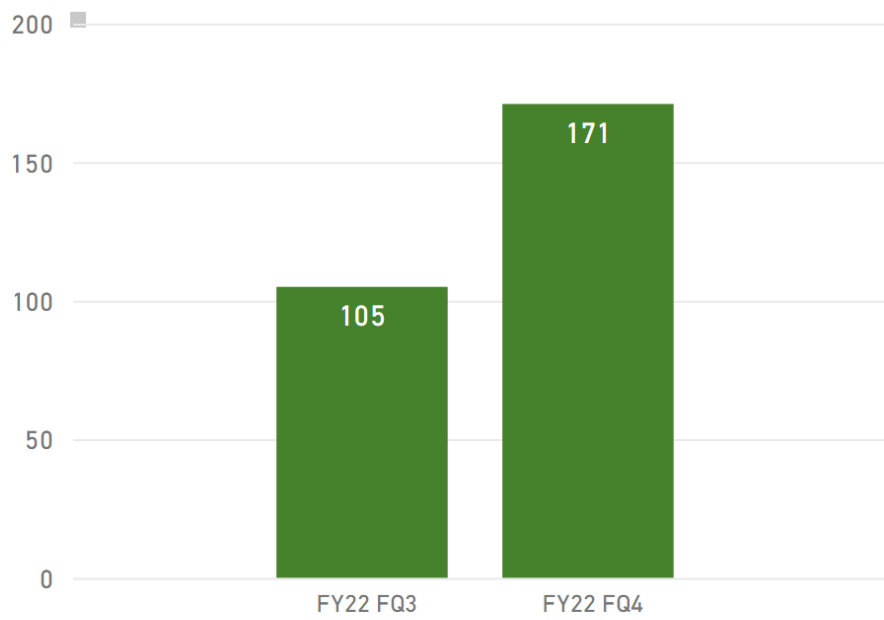
Proportion of people in employment in the borough

Oflog metric

% of residents aged 16-64 in employment

- 2019: 73%
- 2020: 71%
- 2021: 80%
- 2022: 69%

Apprenticeship starts in the borough

Number of apprenticeship starts / Financial year

- FY18: 930
- FY19: 810
- FY20: 780
- FY21: 790

Number of business 'births'

Oflog metric

Number of business 'births'

- 2017: 560
- 2018: 580
- 2019: 595
- 2020: 595
- 2021: 510

Job density

- 2018: 0.64
- 2019: 0.69
- 2020: 0.67
- 2021: 0.64
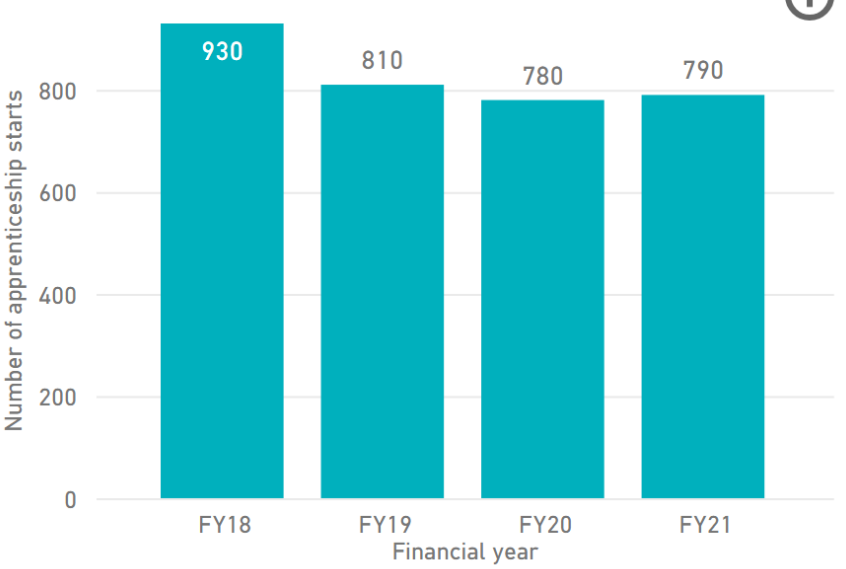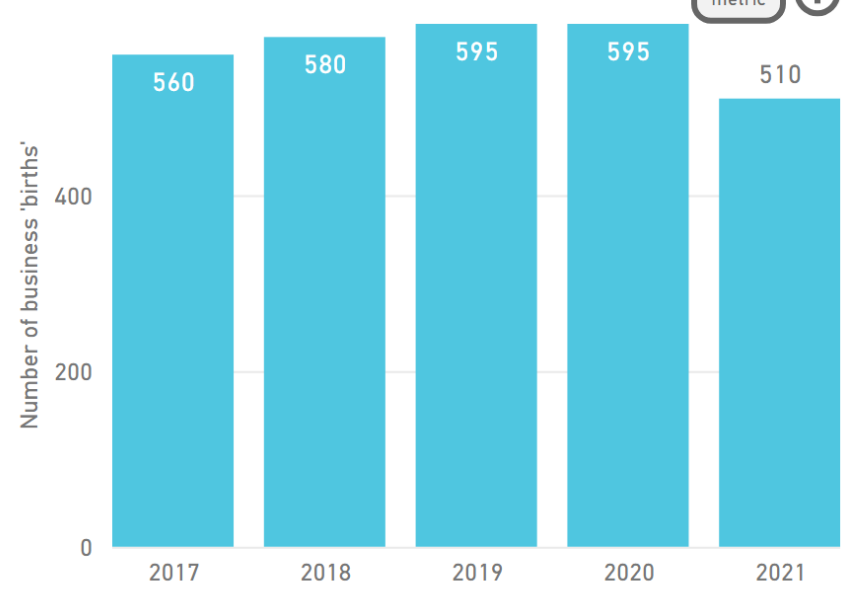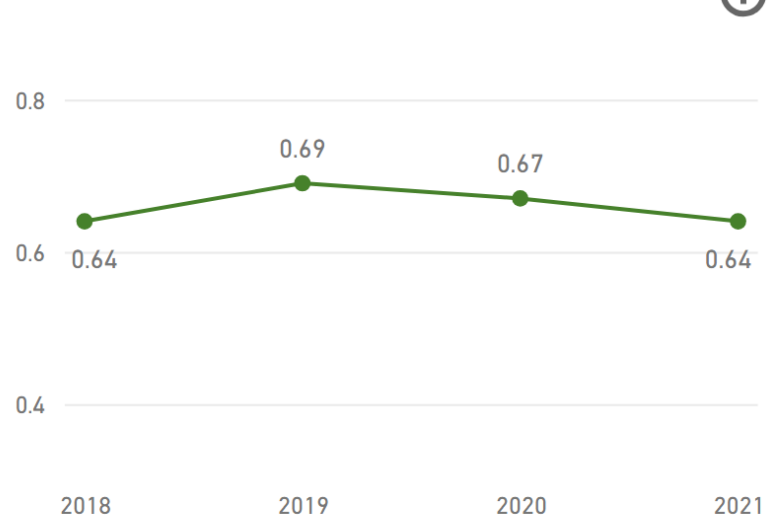
Job density is the ratio of total jobs to population aged 16-64. The higher the job density, the more jobs available for the working age population.

Democracy and engagement

Learn more about our
digital engagement

Learn more about
council complaints

Participation in decision making

Residents' survey data will be added here when available

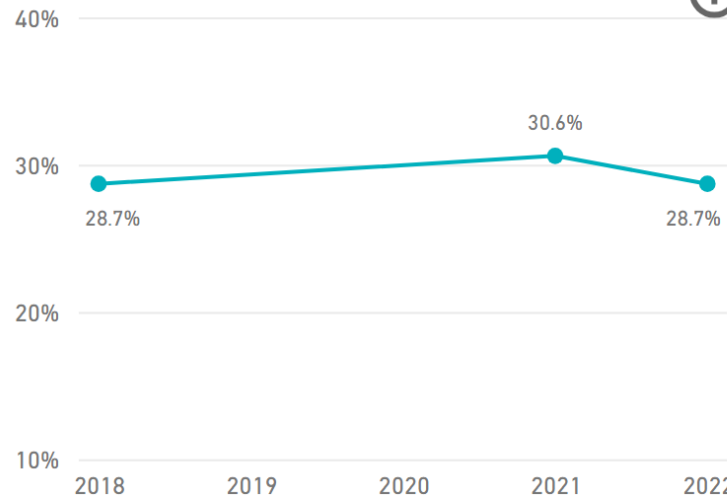## Access to information

Find out more about
information requests

Agenda publication data will be added here when available

Public meeting attendance data will be added here when available
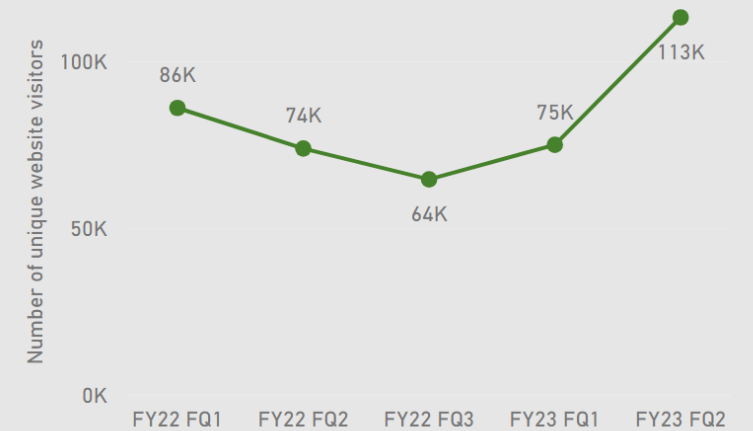
% turnout at local elections

ⓘ

40%

30% — 28.7% ——— 30.6% ——— 28.7%

20%

10%

2018   2019   2020   2021   2022

Visitors to the Havant Borough Council website

Number of unique website visitors

100K — 86K

74K

75K

113K

50K

64K

0K

FY22 FQ1   FY22 FQ2   FY22 FQ3   FY23 FQ1   FY23 FQ2

Home

Public safety

Cleanliness of public realm

Street cleanliness index data will be added here when available

Residents' survey data will be added here when available

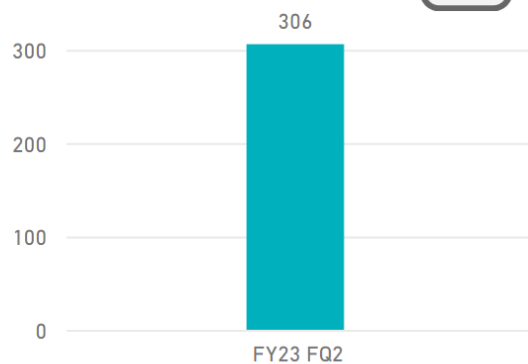Dangerous structures receiving an initial risk assessment within 24 hours of report being received (%)

100%
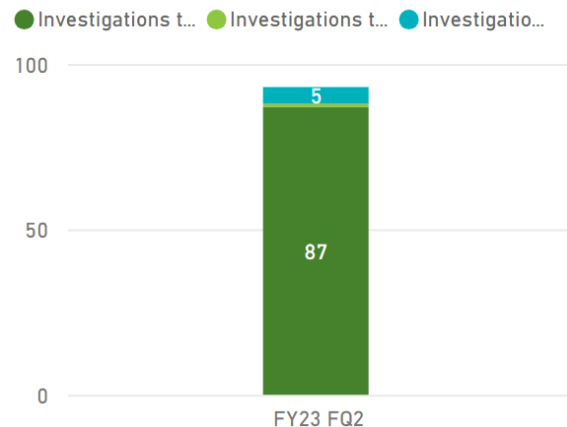
Environmental health data will be added here when available

Antisocial behaviour and crime

Crime data will be added here when available

Residents' survey data will be added here when available

Number of fly tipping incidents reported

Oflog metric

306

300

200

100

0

FY23 FQ2

Fly tipping enforcement actions

Oflog metric

● Investigations t... ● Investigations t... ● Investigatio...

100

5

87

50

0

FY23 FQ2

Page 98

Metrics coming soon

Digital infrastructure and communications

Read our Digital Strategy

Visitors to the Havant Borough Council website

Number of unique website visit...

- 100K
- 86K
- 74K
- 75K
- 113K
- 64K
- 50K
- 0K

| FY22 FQ1 | FY22 FQ2 | FY22 FQ3 | FY23 FQ1 | FY23 FQ2 |

Printing

Number of pages printed using MFD pri...

- 80K
- 60K
- 40K
- 20K

| FY22 FQ1 | FY22 FQ2 | FY22 FQ3 | FY22 FQ4 | FY23 FQ1 | FY23 FQ2 |

Financial quarter
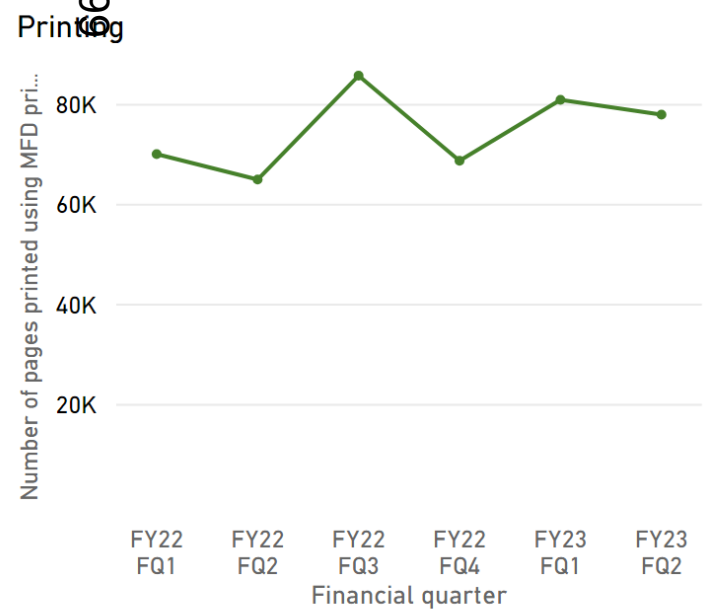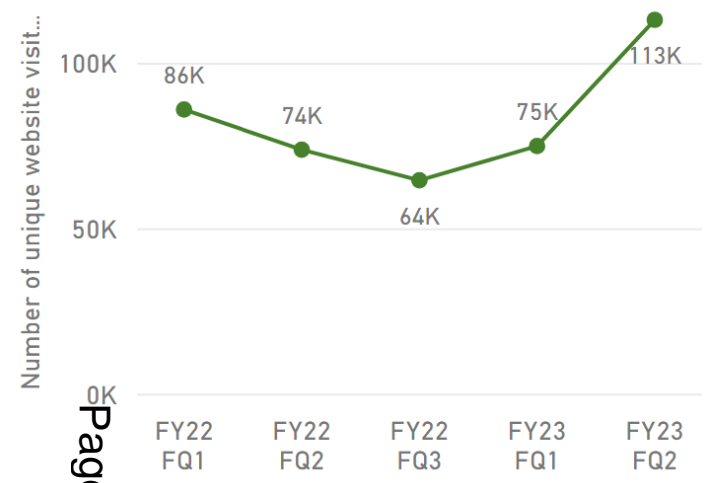
Further metrics coming soon

Fit for purpose council services

For us to achieve the aspirations in our Corporate Strategy, it is crucial that our services are functioning effectively, efficiently, and at a reasonable cost.

This section uses a balanced scorecard approach, combining data from several different internal sources to show whether our services are performing according to expectations.

Operational performance (KPIs)

Place
- Planning
- Building Control
- Environmental Health

Commercial
- Property (Estates)
- Environmental Services (Waste)
- Environmental Services (Grounds, Street Cleaning etc)
- Customer Services
- Revenues and Benefits
- Digital Services

Housing and Communities
- Housing

Internal Services
- Information Governance
- Communications and Engagement

Regeneration
- Neighbourhood Quality

Governance
- Complaints
- Internal audit
- Information requests

People
- Vacancies and sickness
- Workforce diversity

Finance
- Quarterly monitoring
- Staffing spend against budget
- Key income streams
- Funding bids and grants

Complaints

Number of complaints received by service
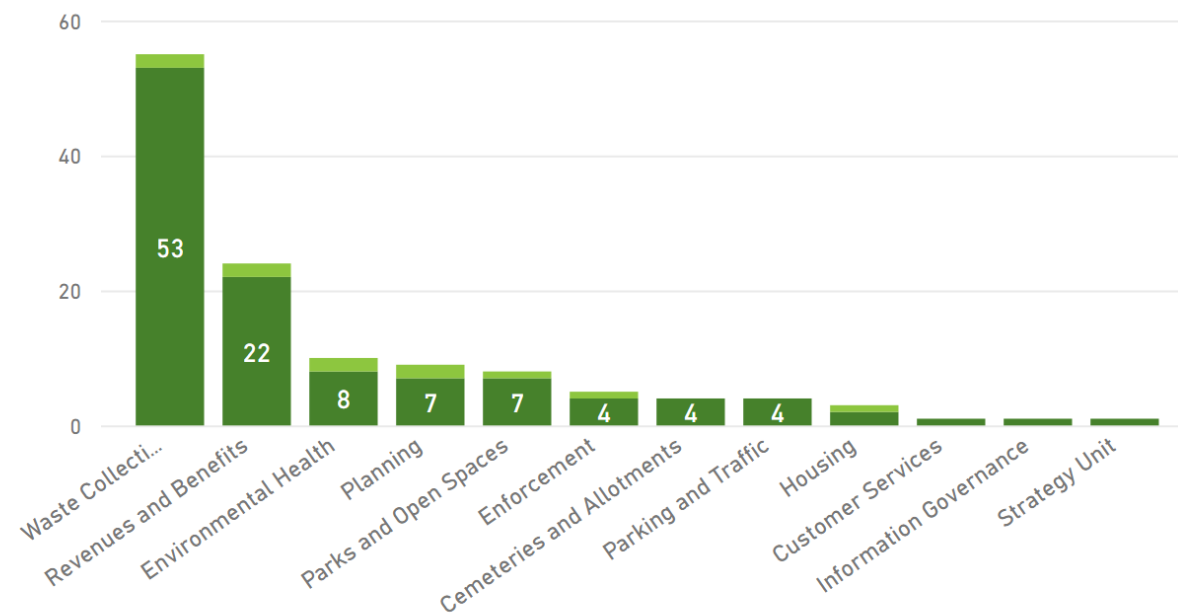
Complaint stage ● Stage 1 ● Stage 2

Bar chart values: Waste Collecti... 53, Revenues and Benefits 22, Environmental Health 8, Planning 7, Parks and Open Spaces 7, Enforcement 4, Cemeteries and Allotments 4, Parking and Traffic 4, Housing, Customer Services, Information Governance, Strategy Unit

Select a quarter to view the data

◉ FY23 FQ2

117

complaints received during the quarter

% of complaints answered within SLA

No 18%
Yes 82%
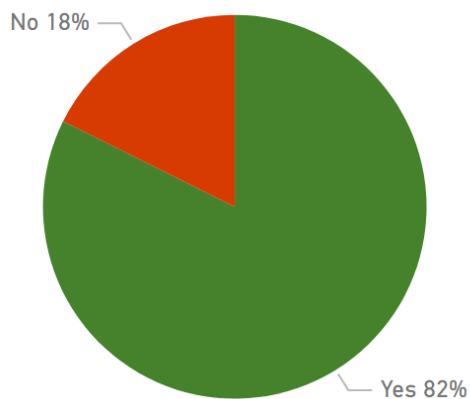
% of complaints that were justified

No 26%
Yes 74%

Our SLA is 10 working days for Stage 1 complaints and 15 working days for Stage 2 complaints.
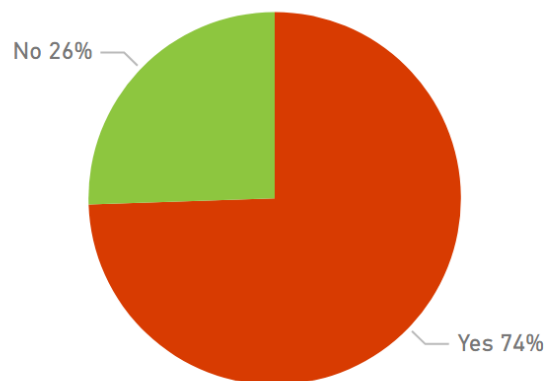
Customers who have been through Stage 1 and 2 of our Complaints Policy may refer their complaint to the Local Government Ombudsman for independent review if they are not satisfied with the council's response. Complaints are classified as upheld where the Ombudsman finds that the council was at fault.

Oflog metric

Number of Local Government Ombudsman complaints upheld

Bar chart values: FY19 0, FY20 1, FY21 2, FY22 7
Financial year
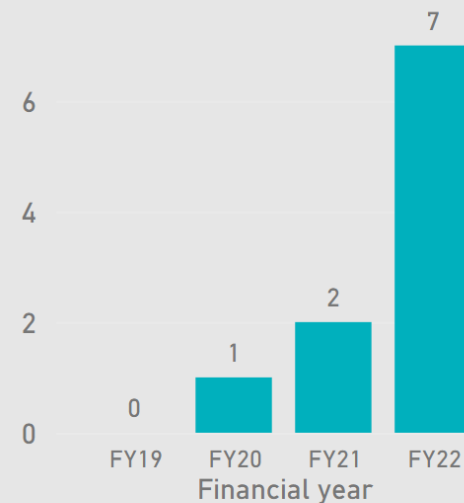
Find out more about our Complaints Policy and Procedure

Information requests

Freedom of Information requests
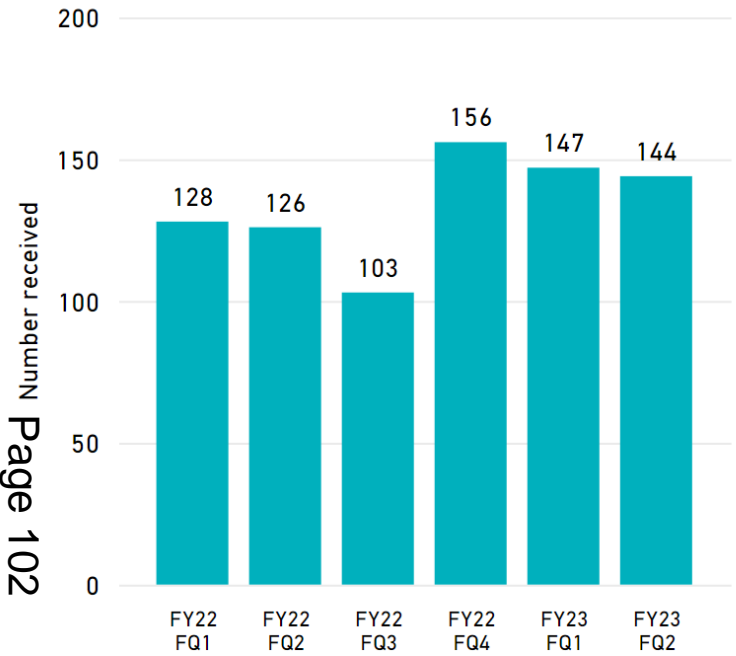
Bar chart — Number received:
- FY22 FQ1: 128
- FY22 FQ2: 126
- FY22 FQ3: 103
- FY22 FQ4: 156
- FY23 FQ1: 147
- FY23 FQ2: 144

Environmental Information Regulations requests

Bar chart — Number received:
- FY22 FQ1: 34
- FY22 FQ2: 37
- FY22 FQ3: 27
- FY22 FQ4: 38
- FY23 FQ1: 42
- FY23 FQ2: 43

Subject Access Requests

Bar chart — Number received:
- FY22 FQ1: 7
- FY22 FQ2: 3
- FY22 FQ3: 2
- FY22 FQ4: 5
- FY23 FQ1: 6
- FY23 FQ2: 5
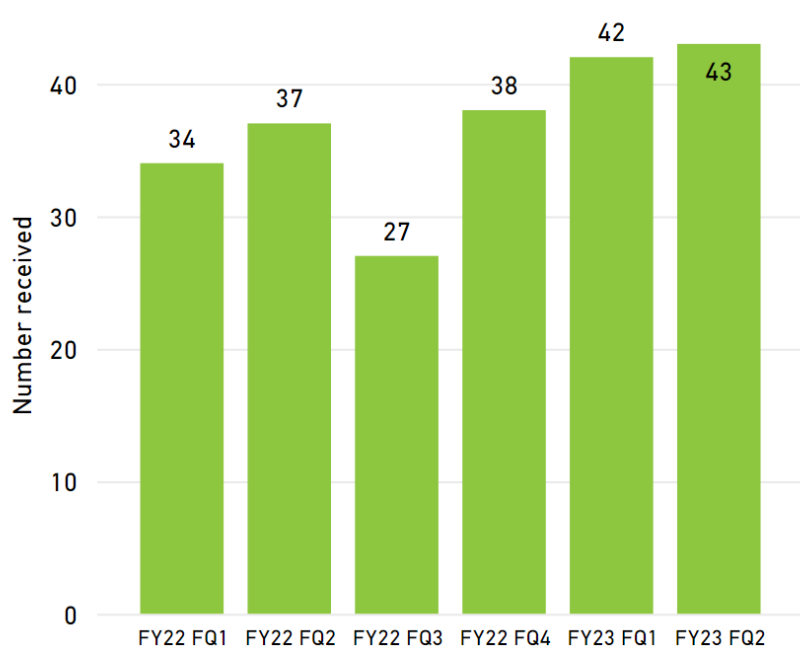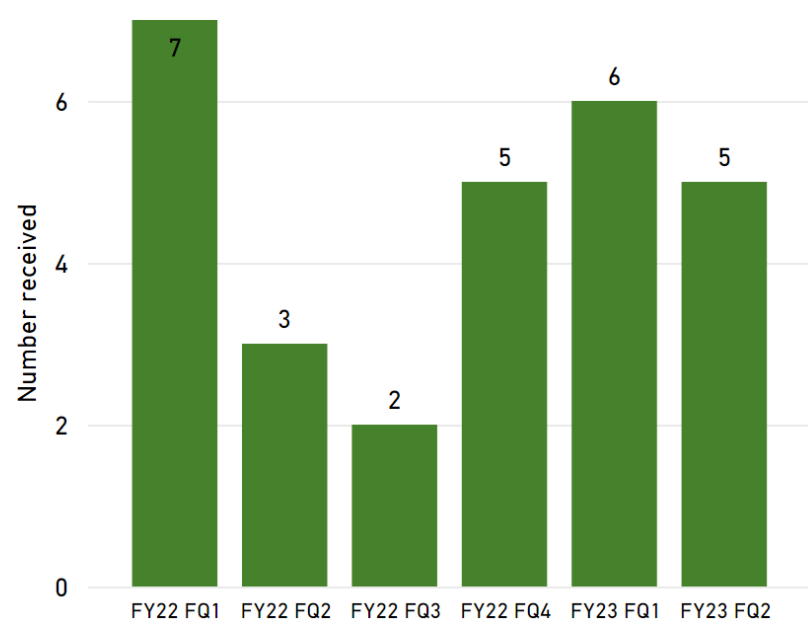
Page 102

% of requests completed within the statutory timeframe

Freedom of Information requests
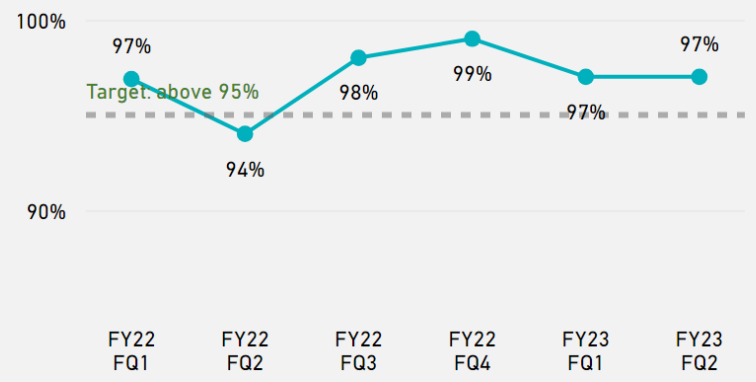
Line chart — Target: above 95%
- FY22 FQ1: 97%
- FY22 FQ2: 94%
- FY22 FQ3: 98%
- FY22 FQ4: 99%
- FY23 FQ1: 97%
- FY23 FQ2: 97%

Environmental Information Regulations requests

Line chart — Target: above 95%
- FY22 FQ1: 91%
- FY22 FQ2: 97%
- FY22 FQ3: 100%
- FY22 FQ4: 100%
- FY23 FQ1: 95%
- FY23 FQ2: 95%

Subject Access Requests

Line chart — Target: above 95%
- FY22 FQ1: 86%
- FY22 FQ2: 100%
- FY22 FQ3: 100%
- FY22 FQ4: 100%
- FY23 FQ1: 100%
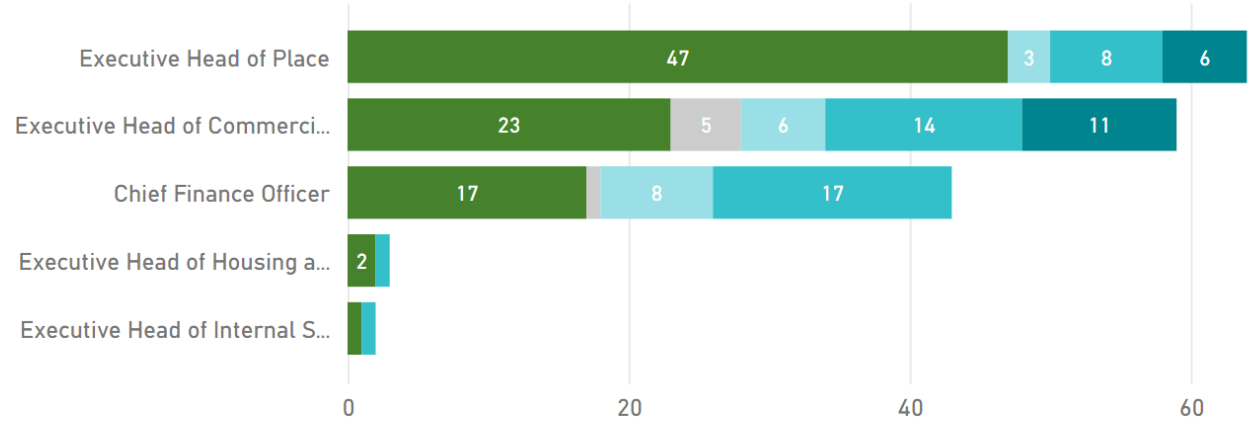- FY23 FQ2: 100%
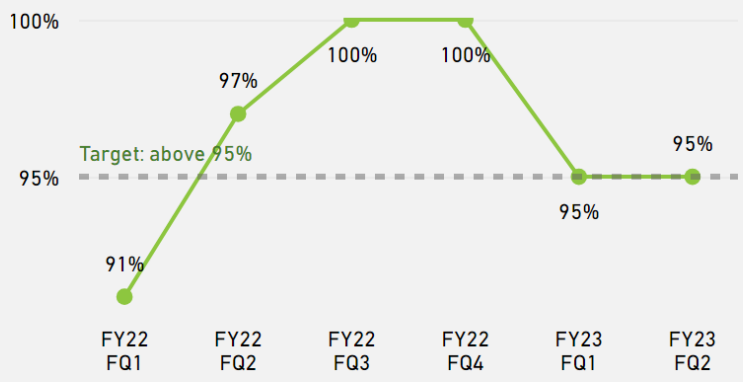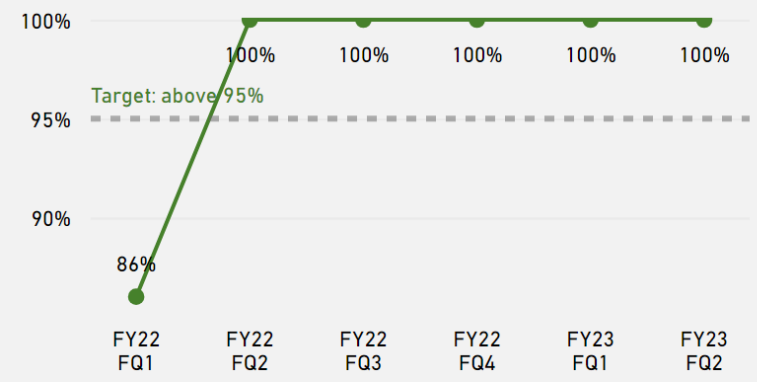
Internal audit

Our internal audit service plays an important role in realising our commitment to continuous improvement. Internal audit undertakes 'fieldwork' to review several service areas each year and provides an opinion on whether the systems of internal control within the service are robust.

The results of the most recent audits are listed in the table below along with the assurance opinion ('reasonable', 'adequate' or 'limited') and a summary of the management actions arising from the audit. These are monitored to ensure completion.

Internal audit management actions

● Complete ● Not Yet Due ● Overdue – Low Priority ● Overdue – Medium Priority ● Overdue – High Priority

Sponsor	Complete	Not Yet Due	Overdue L	Overdue M	Overdue H
Executive Head of Place	47		3	8	6
Executive Head of Commerci...	23	5	6	14	11
Chief Finance Officer	17		8	17	
Executive Head of Housing a...	2				
Executive Head of Internal S...					

Audit Review	Audit Sponsor ▼	Assurance Opinion	Total Management Action(s)	Complete	Not Yet Due	Overdue L	Overdue M	Overdue H
Animal Welfare (Licensing)	Executive Head of Place	Limited **	14	13	0	0	1	0
Building Control	Executive Head of Place	Limited	9	6	0	0	0	3
Disabled Facilities Grants	Executive Head of Place	Reasonable	14	8	0	1	5	0
Food Safety	Executive Head of Place	Limited **	10	9	0	1	0	0
Licensing	Executive Head of Place	Adequate **	6	4	0	0	0	2
Planning / Developers Contributions	Executive Head of Place	Reasonable	2	0	0	0	1	1
Planning Enforcement	Executive Head of Place	Reasonable	4	3	0	0	1	0
Tree Management	Executive Head of Place	Reasonable	5	4	0	1	0	0
Human Resources - Recruitment 2022/23	Executive Head of Internal Services	Reasonable	14	1	0	0	1	0
Homelessness – Service Improvement Action Plan 2022/23	Executive Head of Housing and Communities	Reasonable	3	2	0	0	1	0
Asset Management (Tenanted Properties)	Executive Head of Commercial	Limited	4	0	1	1	0	2
Business Rates	Executive Head of Commercial	Reasonable	3	1	0	2	0	0
Contract Management	Executive Head of Commercial	Reasonable	3	0	0	0	2	1
Council Tax	Executive Head of Commercial	Reasonable	3	1	0	0	1	1
Cyber-Attack Response Pathway	Executive Head of Commercial	Reasonable	10	9	0	0	1	0
IT Device Management	Executive Head of Commercial	Reasonable	9	8	0	0	1	0
Lease Income	Executive Head of Commercial	Reasonable	3	0	0	0	0	3
Lease Income 2022/23	Executive Head of Commercial	Reasonable						

Operational performance – Building Control
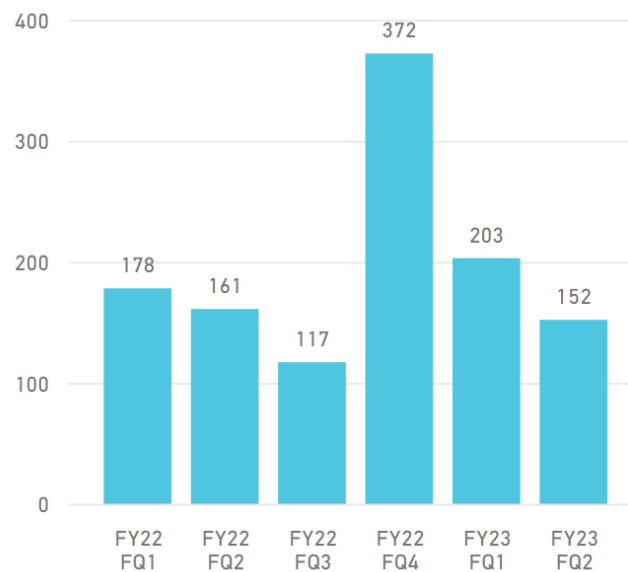
Find out more about building regulations

Number of Building Regulations projects commenced under the Council's control

FY22 FQ1	FY22 FQ2	FY22 FQ3	FY22 FQ4	FY23 FQ1	FY23 FQ2
178	161	117	372	203	152

Number of Building Regulations projects completed under the Council's control

FY22 FQ1	FY22 FQ2	FY22 FQ3	FY22 FQ4	FY23 FQ1	FY23 FQ2
290	75	76	123	262	131
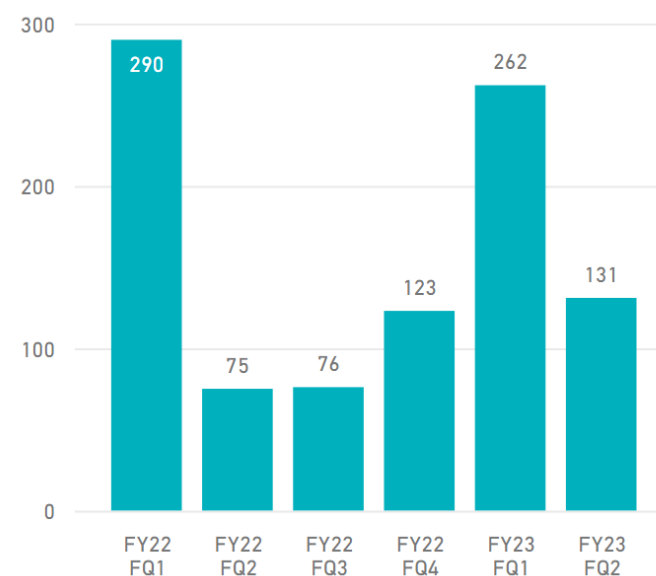
Full Plans applications checked within 15 days (%)

FY22 FQ1	FY22 FQ2	FY22 FQ3	FY22 FQ4	FY23 FQ1	FY23 FQ2
96%	92%	98%	92%	96%	98%

Target: above 90%
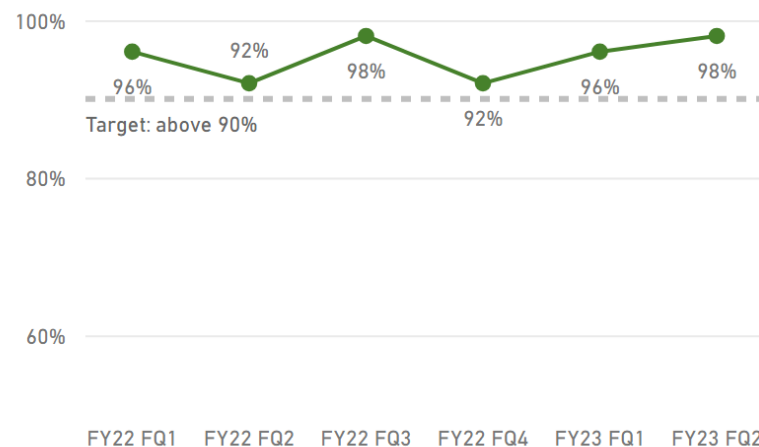
Full Plans applications decided within statutory time limit (%)

Target: 100%

FY22 FQ1	FY22 FQ2	FY22 FQ3	FY22 FQ4	FY23 FQ1	FY23 FQ2
100%	100%	100%	100%	100%	100%
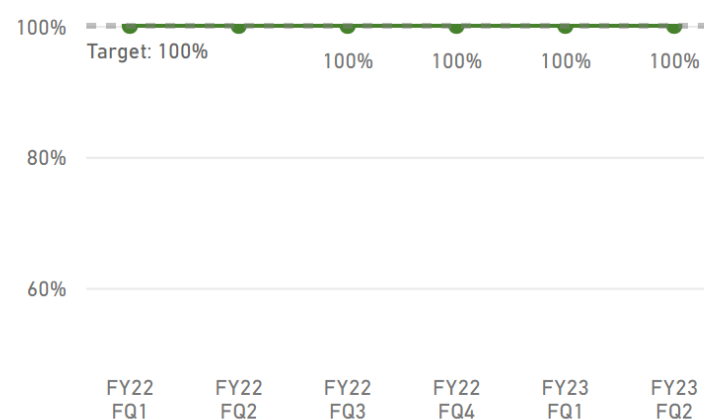
Number of claims submitted against the Council for Building Control negligence / non-compliance that the Council was unsuccessful in defending

0 ✓

Target: 0

Operational performance – Planning

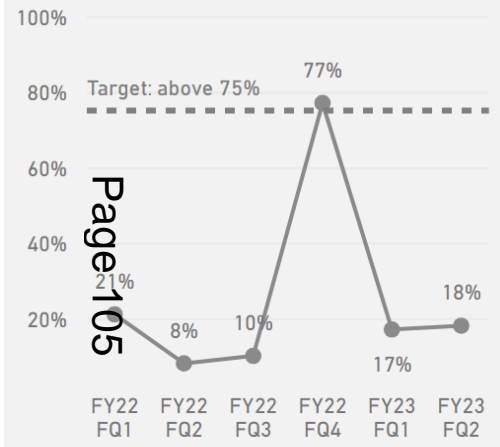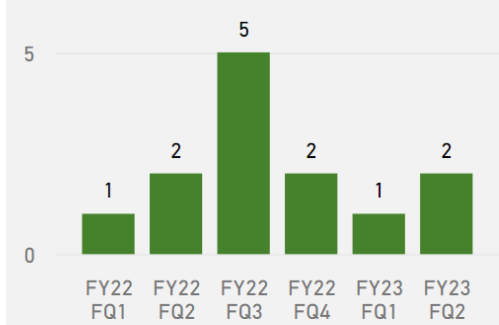Find out more about the planning service

Decision

Validation

Major planning applications decided

All applications – % of applications processed within 3 working days of receipt

FY22 FQ1: 1, FY22 FQ2: 2, FY22 FQ3: 5, FY22 FQ4: 2, FY23 FQ1: 1, FY23 FQ2: 2

Minor planning applications decided

40

FY22 FQ1: 8, FY22 FQ2: 21, FY22 FQ3: 33, FY22 FQ4: 24, FY23 FQ1: 26, FY23 FQ2: 22

Other planning applications decided

130, 132, 124, 106, 119, 114

Appeals

Major planning applications – % of decisions allowed on appeal

Oflog metric

Target: below 20%

FY22 FQ1: 26%, FY22 FQ2: 0%, FY22 FQ3: 0%, FY22 FQ4: 0%, FY23 FQ1: 4%, FY23 FQ2: 0%

Target: above 75%

77%

21%, 8%, 10%, 17%, 18%

FY22 FQ1, FY22 FQ2, FY22 FQ3, FY22 FQ4, FY23 FQ1, FY23 FQ2

Page105
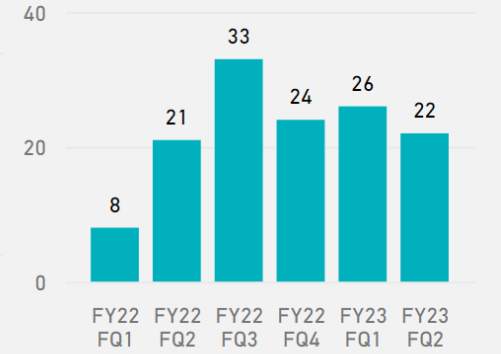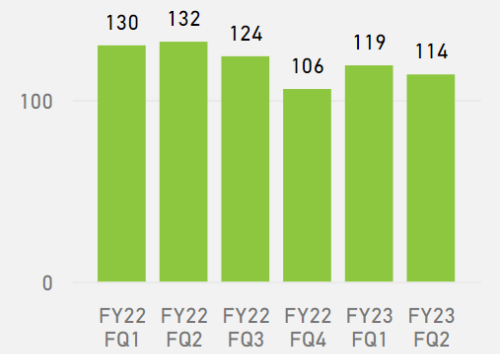
Major planning applications – % decided within 13 weeks or agreed time extension
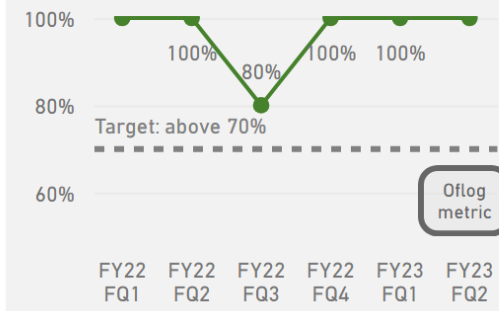
100%, 100%, 80%, 100%, 100%

Target: above 70%

Oflog metric

FY22 FQ1, FY22 FQ2, FY22 FQ3, FY22 FQ4, FY23 FQ1, FY23 FQ2

Minor planning applications – % decided within 8 weeks or agreed extension

100%, 90%, 79%, 77%, 82%

Target: above 65%

75%

Oflog metric

FY22 FQ1, FY22 FQ2, FY22 FQ3, FY22 FQ4, FY23 FQ1, FY23 FQ2

Other planning applications – % decided within 8 weeks or agreed extension

94%, 93%, 94%, 91%, 84%, 84%

Target: above 80%

Oflog metric

FY22 FQ1, FY22 FQ2, FY22 FQ3, FY22 FQ4, FY23 FQ1, FY23 FQ2

Minor and other planning applications – % of decisions allowed on appeal

Oflog metric

100%

Target: below 30%

36%, 100%, 0%, 0%, 0%, 0%

FY22 FQ1, FY22 FQ2, FY22 FQ3, FY22 FQ4, FY23 FQ1, FY23 FQ2
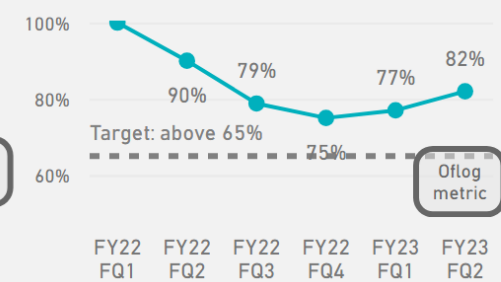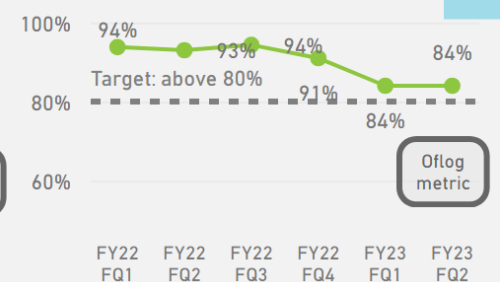
Discharge of condition applications – % decided within 8 weeks

Target: above 80%

28%, 22%, 28%, 25%, 41%, 32%

FY22 FQ1, FY22 FQ2, FY22 FQ3, FY22 FQ4, FY23 FQ1, FY23 FQ2
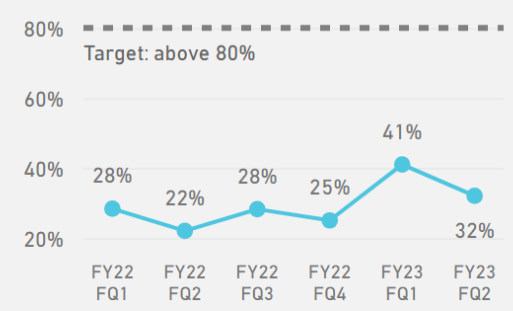
All applications – % decided within 26 weeks

Target: above 98%

99%, 99%, 98%, 98%, 98%

FY22 FQ1, FY22 FQ2, FY22 FQ3, FY22 FQ4, FY23 FQ1, FY23 FQ2
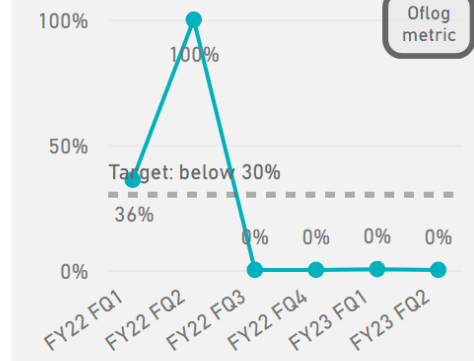
Appeals data are provided based on central government definitions.

Further metrics are currently under development

Vacancy rate across investment portfolio

Empty commercial property – % based on available floorspace

10%

5%

3%

1%   1%   1%   1%   1%

0%

| FY22 FQ1 | FY22 FQ2 | FY22 FQ3 | FY22 FQ4 | FY23 FQ1 | FY23 FQ2 |
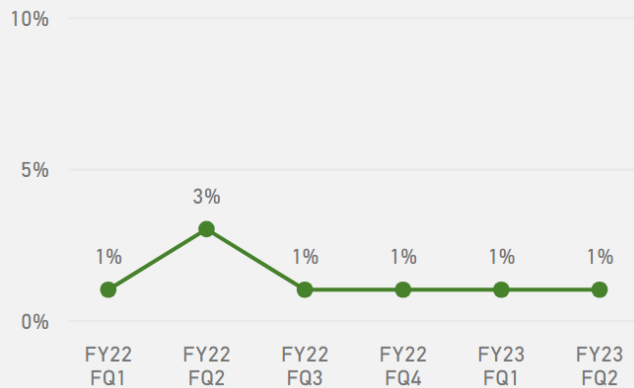
Empty commercial property – number of vacant/to let units

15

10

8

6   5

5   5   4   3

0

| FY22 FQ1 | FY22 FQ2 | FY22 FQ3 | FY22 FQ4 | FY23 FQ1 | FY23 FQ2 |
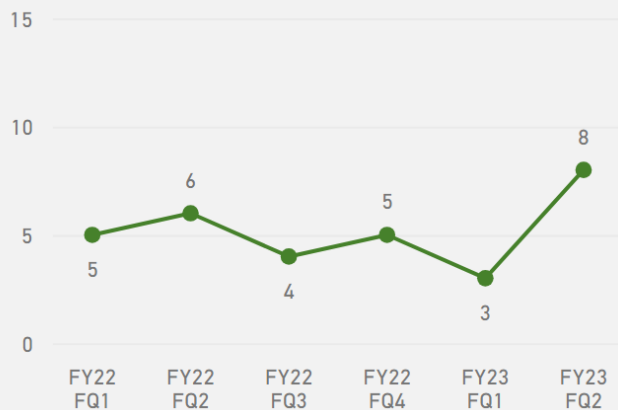
Rent debt across investment portfolio

Property debt – rent arrears for all tenanted commercial property – average across quarter (£)

200K   Target: below 10% of gross annual income

150K

100K

50K

0K

| FY22 FQ4 | FY23 FQ1 | FY23 FQ2 |
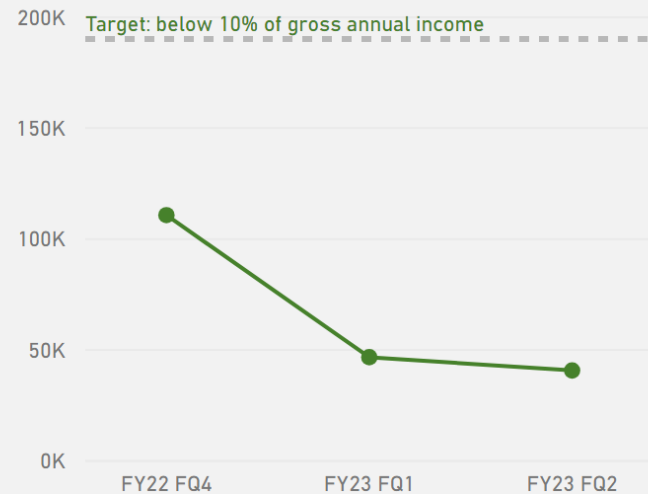
Property debt – rent arrears over 90 days (aged debts) for all tenanted commercial property at end of quarter (£)

0.4M

0.3M

0.2M

Target: below 5% of gross annual income
0.1M

| FY22 FQ4 | FY23 FQ1 |
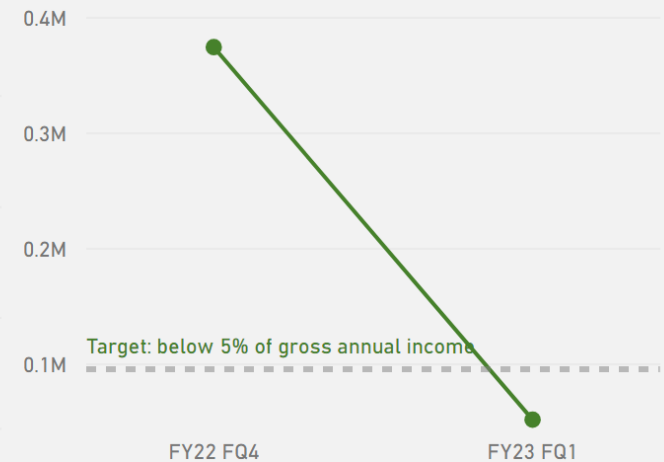
Indicators and targets are based on industry standard metrics.

Further metrics are currently under development

Find out more about our property portfolio

Operational performance - Housing

Select a quarter to view the data

○ FY23 FQ1
◉ FY23 FQ2

107

Total households placed in temporary accommodation during quarter

Non self-contained accommodation including B&B

4
Number of households placed into B&B during quarter

58
Average number of days spent in B&B accommodation

(Blank)
Number of households in B&B at end of quarter

9
Number of households who spent more than 6 weeks in B&B

Self-contained accommodation

60
Number of households placed into self-contained accommodation during quarter

76
Average number of days spent in self-contained accommodation

(Blank)
Number of households in self-contained accommodation at end of quarter

Supported accommodation

24
Number of households placed into supported accommodation during quarter

87
Average number of days spent in supported accommodation

0
Number of households in supported accommodation at end of quarter

Non self-contained accommodation incl...
Non self-contained accommo...

Self-contained accommodati...

Self-contained accommo...

Supported accommodation, inside boro...

Find out more about the council's housing service

Operational performance – Housing
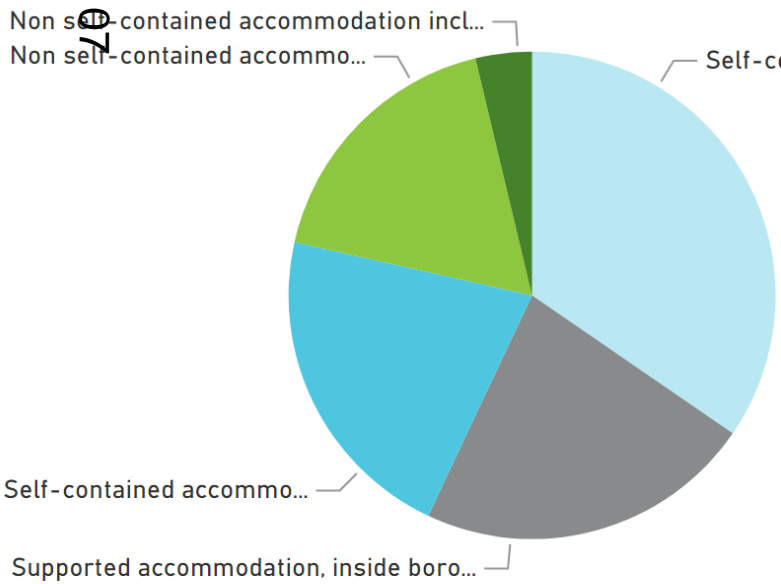
The Housing team has recently undergone a service review. As part of this a new suite of performance metrics has been identified and these are being reported from Q1 2023-24 onwards.

View more data about housing in the borough

Select a quarter to view the data

- ○ FY23 FQ1
- ● FY23 FQ2

Housing supply

Find out more about the council's housing service

New affordable homes in the borough

Housing options and advice

21
Number of households who have had a main duty* accepted

107
Number of households placed into temporary accommodation during quarter

See more data about temporary accommodation placements

4
Number of households who have maintained their tenancies as a result of HBC Housing assistance

54

FY23 FQ2
Financial quarter
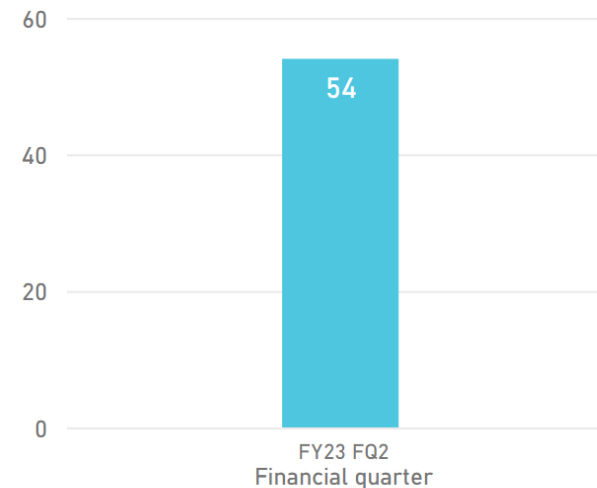
Hampshire Home Choice

60
Number of successful lets agreed during quarter

1,777
Number of households on the waiting list at end of quarter

*A main duty applies when the authority is satisfied that the applicant is eligible for assistance, unintentionally homeless and falls within a specified priority need group

Operational performance – Environmental Services

Environmental Services (household waste collection, street cleaning, grounds maintenance, allotments, cemeteries and public conveniences) are provided by the council's joint venture, Norse SE.

Household waste collection

Total collections carried out

- FY23 FQ1: 882.93K
- FY23 FQ2: 899.56K

Number of missed bins per 100,000 opportunities

- ● Garden waste ● General waste ● Recycling

	FY23 FQ1	FY23 FQ2
Garden waste	313	139
General waste	197	175
Recycling	143	120

Target: below 100

Household waste collection – average residual waste per household (kg) *(Oflog metric)*
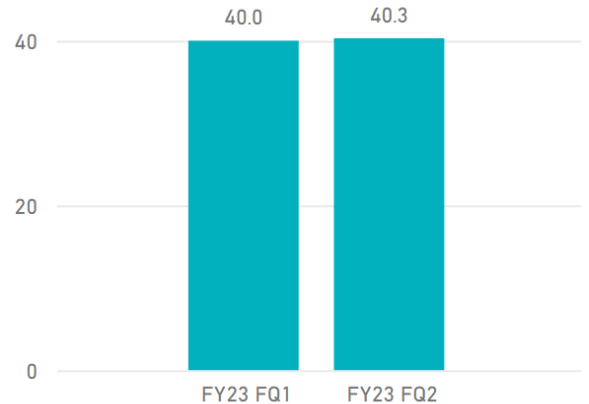
- FY23 FQ1: 40.0
- FY23 FQ2: 40.3

% of household waste sent for recycling *(Oflog metric)*

- FY23 FQ1: ~32%
- FY23 FQ2: ~31%

Target: above 30%

Contamination rates of recycling *(Oflog metric)*

- FY23 FQ1: ~18%
- FY23 FQ2: ~15%

Target: below 10%
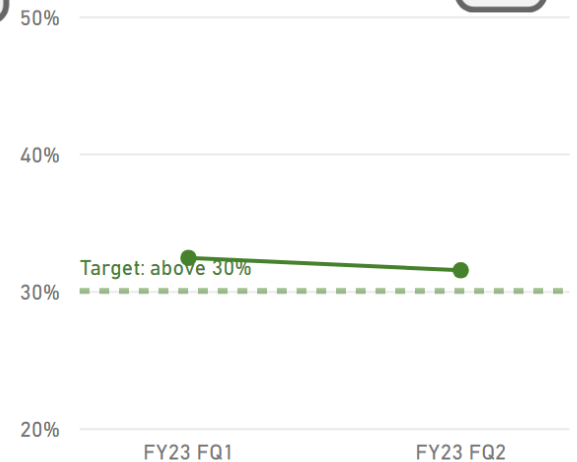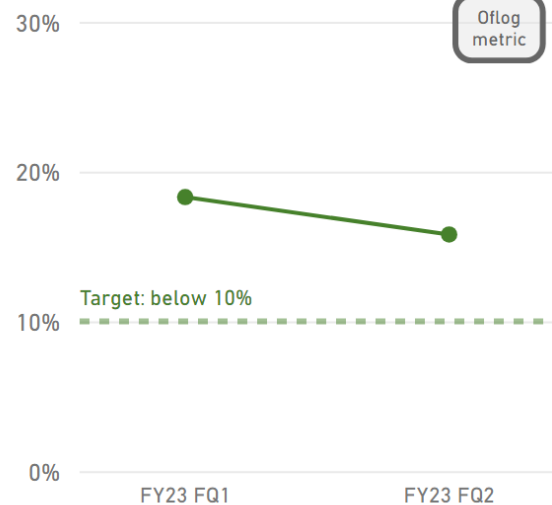
Bulky waste collection

The council offers this service for large items such as fridges, freezers, sofas etc

Number of collections carried out

- FY23 FQ1: 210
- FY23 FQ2: 235

% of collections carried out within SLA
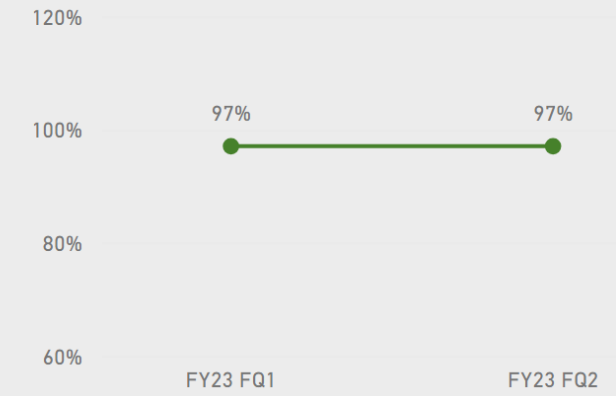
- FY23 FQ1: 97%
- FY23 FQ2: 97%

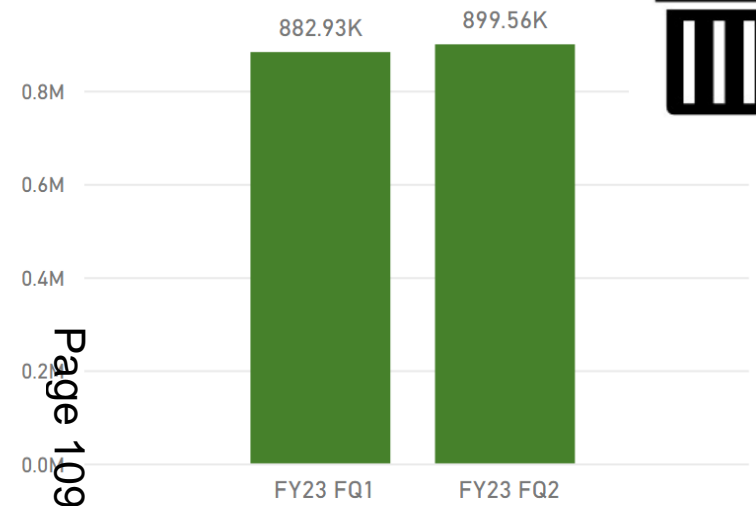# Operational performance – Environmental Services

Environmental Services (household waste collection, street cleaning, grounds maintenance, allotments, cemeteries and public conveniences) are provided by the council's joint venture, Norse SE.
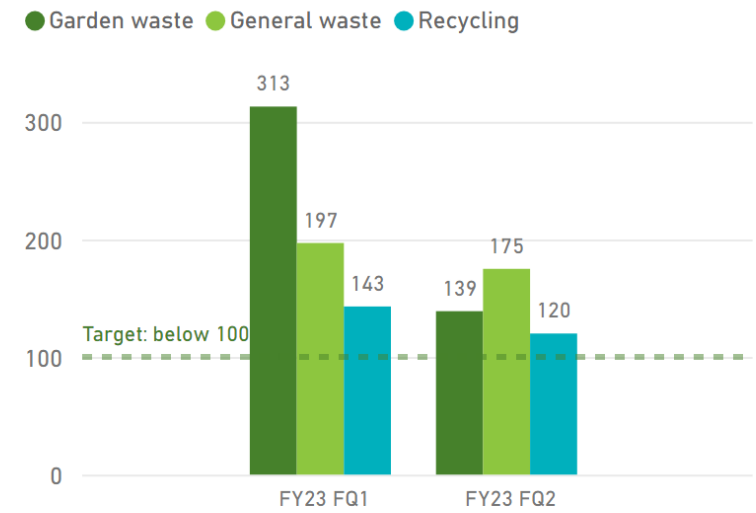
Grounds maintenance

Data for grass cutting will be added here when available
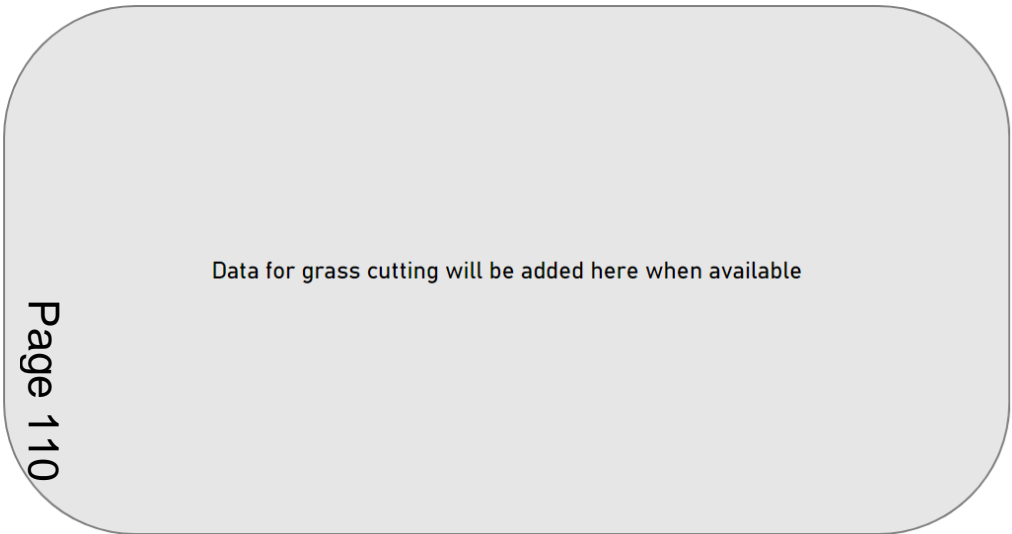
Page 110

Allotment occupancy rate (%)

Target: above 95%

94%

100%

80%

60%

FY23 FQ2

Data for play park inspections will be added here when available

Street cleanliness

Number of fly tipping incidents reported

Oflog metric

306
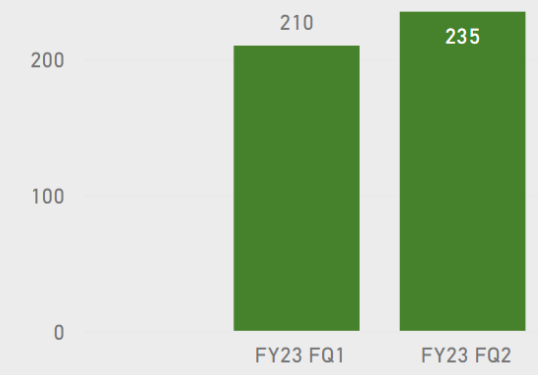
300

200

100

0

FY23 FQ2
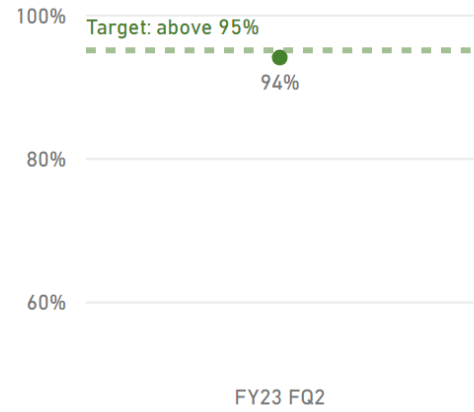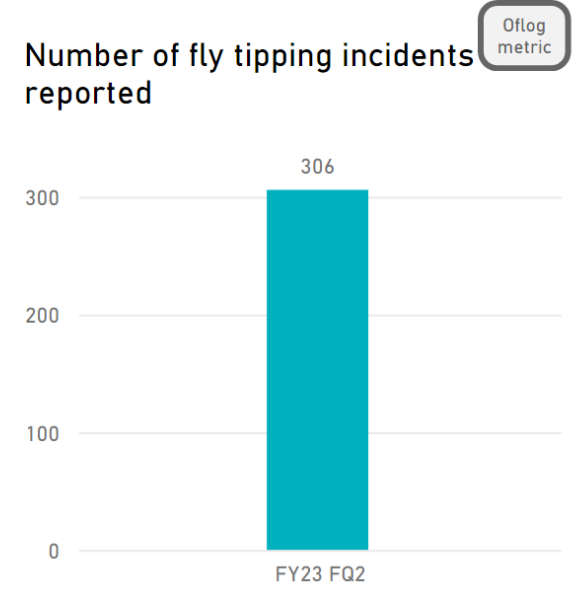
Find out about fly tipping enforcement actions

Data for street cleanliness index will be added here when available
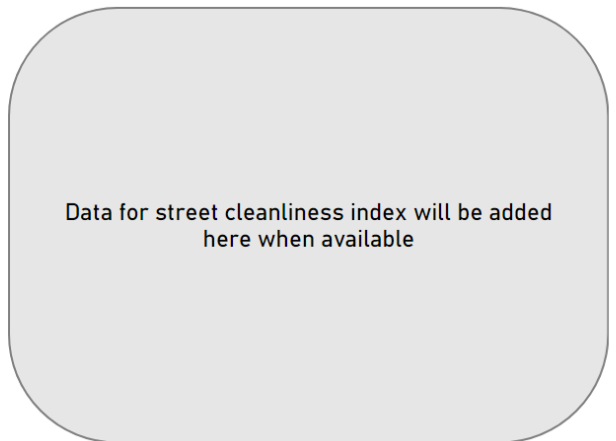
Other services

Number of taxi MOTs carried out

200

150

100

50

0

105

141

FY23 FQ1   FY23 FQ2
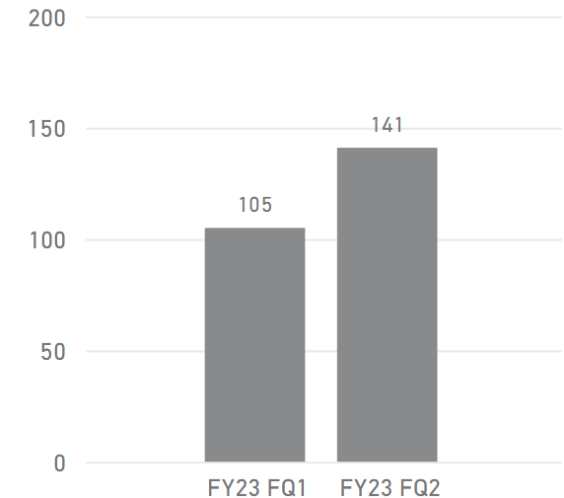
Operational performance – Customer Services / Revenues and Benefits

Both services are provided by Capita via the 5 Councils Contract.

Customer Services phone lines

Calls answered within 20 seconds in the CSC (%)

- 51% (FY22 FQ1)
- 73% (FY22 FQ2)
- 91% (FY22 FQ3)
- 61% (FY22 FQ4)
- 66% (FY23 FQ1)
- 92% (FY23 FQ2)

Target: above 75%
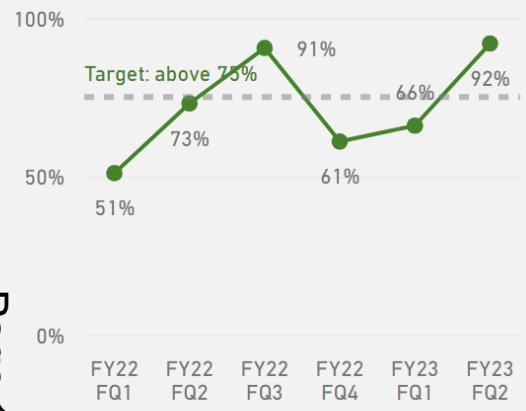
Calls answered and completed by CSC – one and done (%)

- 99% (FY22 FQ1)
- 99% (FY22 FQ2)
- 99% (FY22 FQ3)
- 99% (FY22 FQ4)
- 99% (FY23 FQ1)
- 100% (FY23 FQ2)

Target: above 95%

Benefits applications processing

Average processing time for housing benefit and council tax benefit

Target for new claims: less than 13 days

Target for change events: less than 7 days

	FY22 FQ1	FY22 FQ2	FY22 FQ3	FY22 FQ4	FY23 FQ1	FY23 FQ2
New claims	8.4	8.7	8.6	8.8	10.9	8.8
Change events	6.1	6.5	5.8	5.4	8.0	5.3

Number of days

Customer satisfaction data will be added here when available

View complaints data
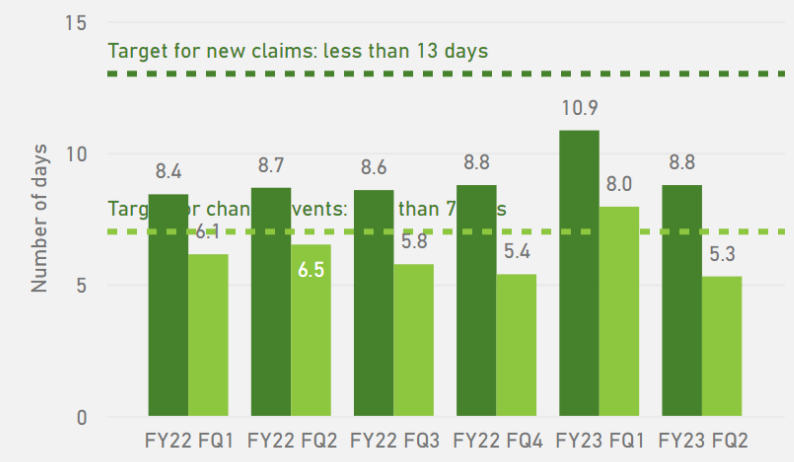
Council tax and business rates collection

Non domestic rates cash collection – cumulative (%)

Oflog metric

47.2%

0% — 100%
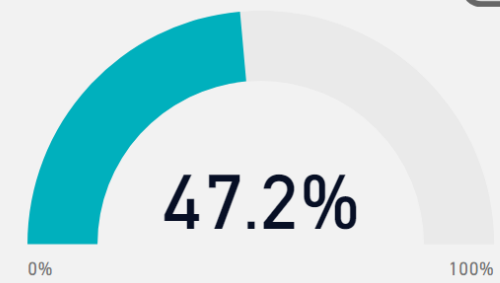
Council tax cash collection rate – cumulative (%)

Oflog metric

47.3%

0% — 100%
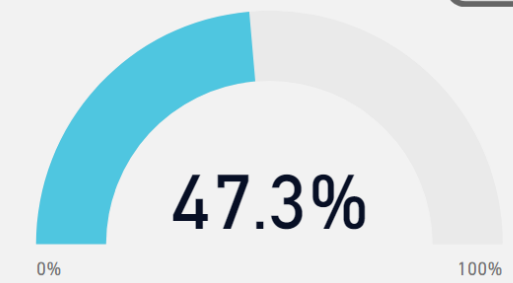
Position as at end of Q2. Collection rates of council tax and non domestic rates (also known as business rates) are monitored throughout the financial year to ensure that the collection targets will be reached by the end of March.

Operational performance – Environmental Health

Pest control

Number of pest control new treatments

FY23 FQ1	FY23 FQ2
154	152
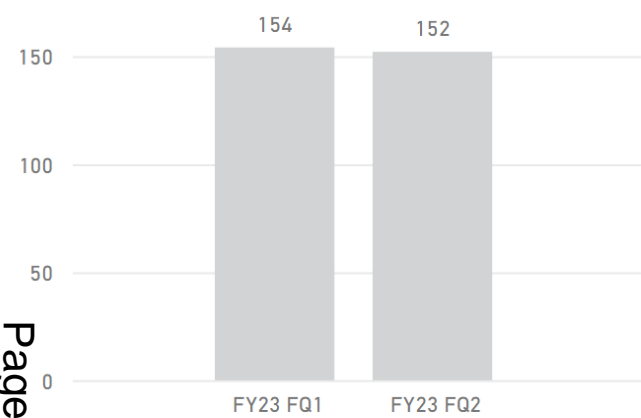
Further metrics are currently under development

Disabled Facilities Grants

Number of new applications received

FY23 FQ1	FY23 FQ2
45	42
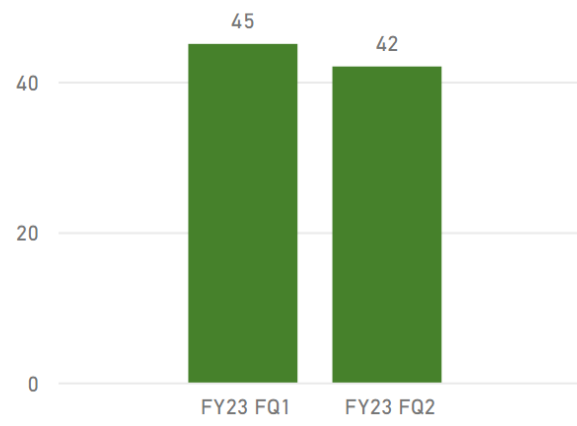
Number of applications approved

FY23 FQ1	FY23 FQ2
35	38

Private sector housing

Number of new private sector housing complaints received

FY23 FQ1	FY23 FQ2
46	124

% of private sector housing complaints investigated within 90 days

FY23 FQ1	FY23 FQ2
65%	23%
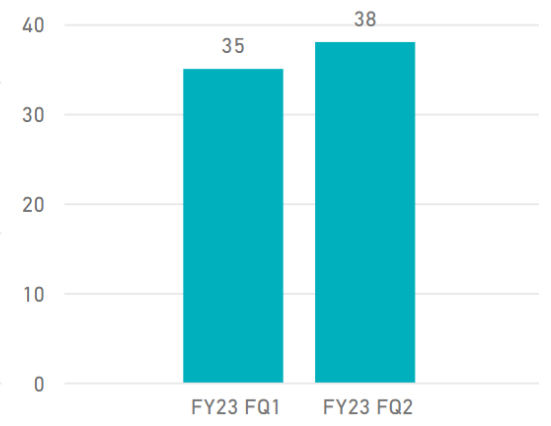
Number of applications completed and closed

FY23 FQ1	FY23 FQ2
34	32
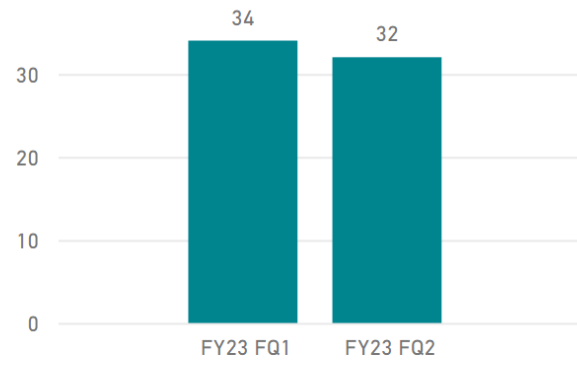
Number of applications rejected or cancelled

FY23 FQ1	FY23 FQ2
16	12
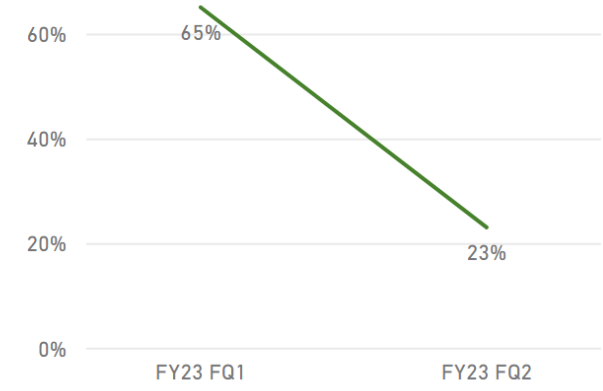
719,315

£ of grants approved during financial year (cumulative)

Find out more about DFGs

Page 113

Number of fly tipping incidents reported

Oflog metric

```
350

300                     306
                    ┌──────┐
250                 │      │
                    │      │
200                 │      │
                    │      │
150                 │      │
                    │      │
100                 │      │
                    │      │
 50                 │      │
                    │      │
  0 ─────────────────────────
              FY23 FQ2
```
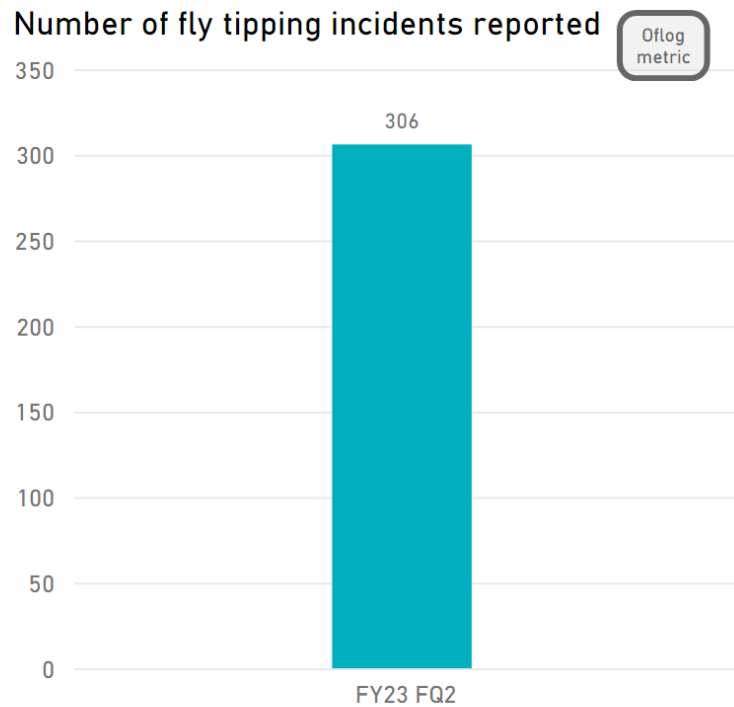
Find out more about street cleanliness

Fly tipping enforcement actions

Oflog metric

● Investigations that did not result in any enf... ● Investigations that resulted in a ... ● Investigations that result...

```
100

                        ┌──────┐
 80                     │  5   │ (cyan)
                        │──────│
                        │      │
 60                     │      │
                        │  87  │ (dark green)
                        │      │
 40                     │      │
                        │      │
 20                     │      │
                        │      │
  0 ───────────────────────────
              FY23 FQ2
```

Further metrics are currently under development

Vacancies and sickness levels
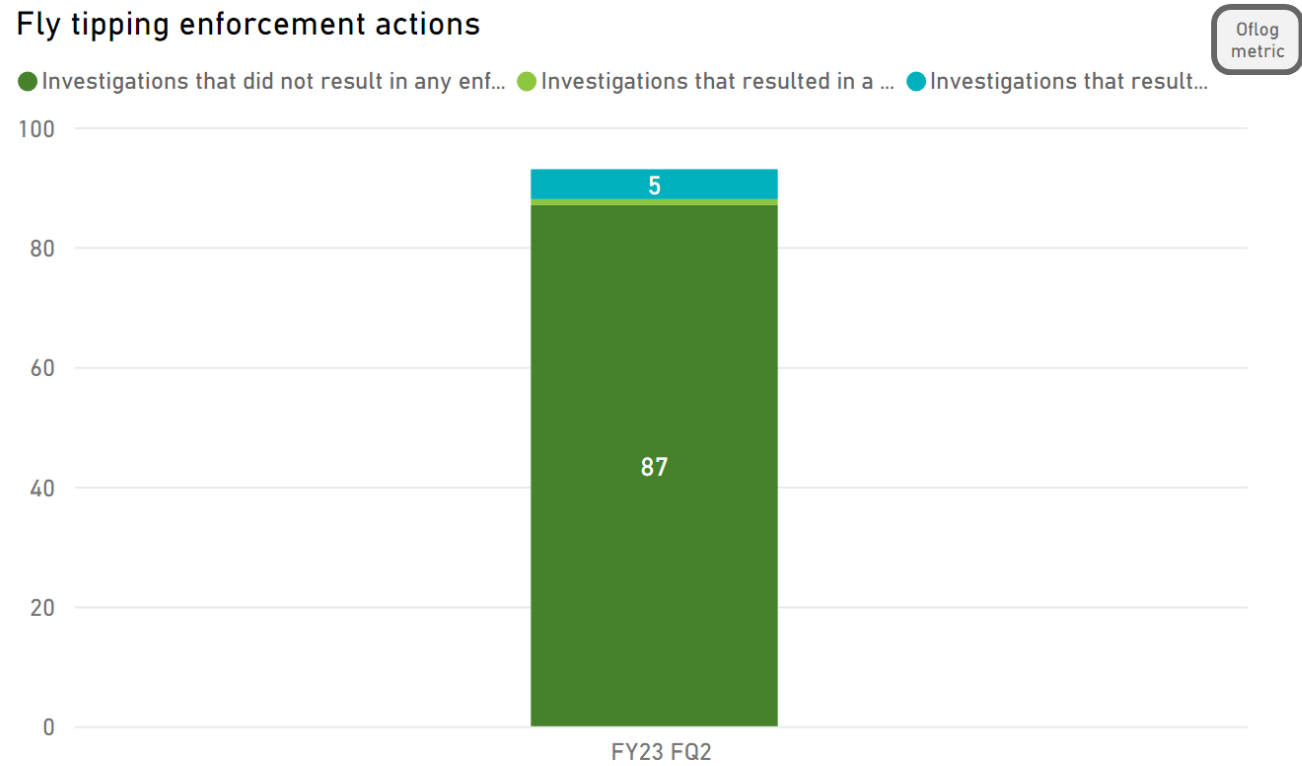
Vacant posts by service area

Our vacancies data is currently under review and will be updated shortly

Internal Services | Place | Regenerati... and Community | Commercial Services | Coastal Partners

0
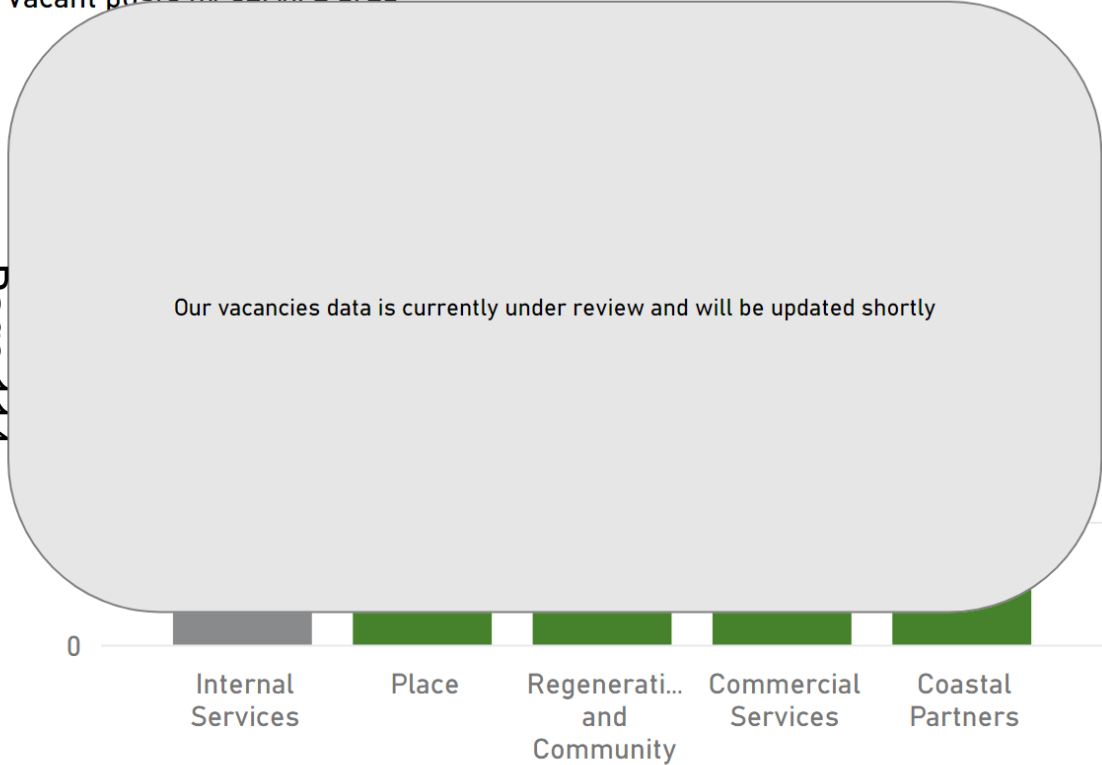
View our current job opportunities

Sickness levels among staff

Number of sickness days in the quarter (ave...

Public sector average

Private sector average

2.0

1.5

1.0

0.5

0.0

FY21 FQ1 | FY21 FQ2 | FY21 FQ3 | FY21 FQ4 | FY22 FQ1 | FY22 FQ3 | FY22 FQ4 | FY23 FQ1 | FY23 FQ2

Financial quarter

Workforce diversity

Havant Borough Council is committed to the public sector equality duty. This data is collected from permanent staff annually for the purposes of monitoring diversity in the workforce.
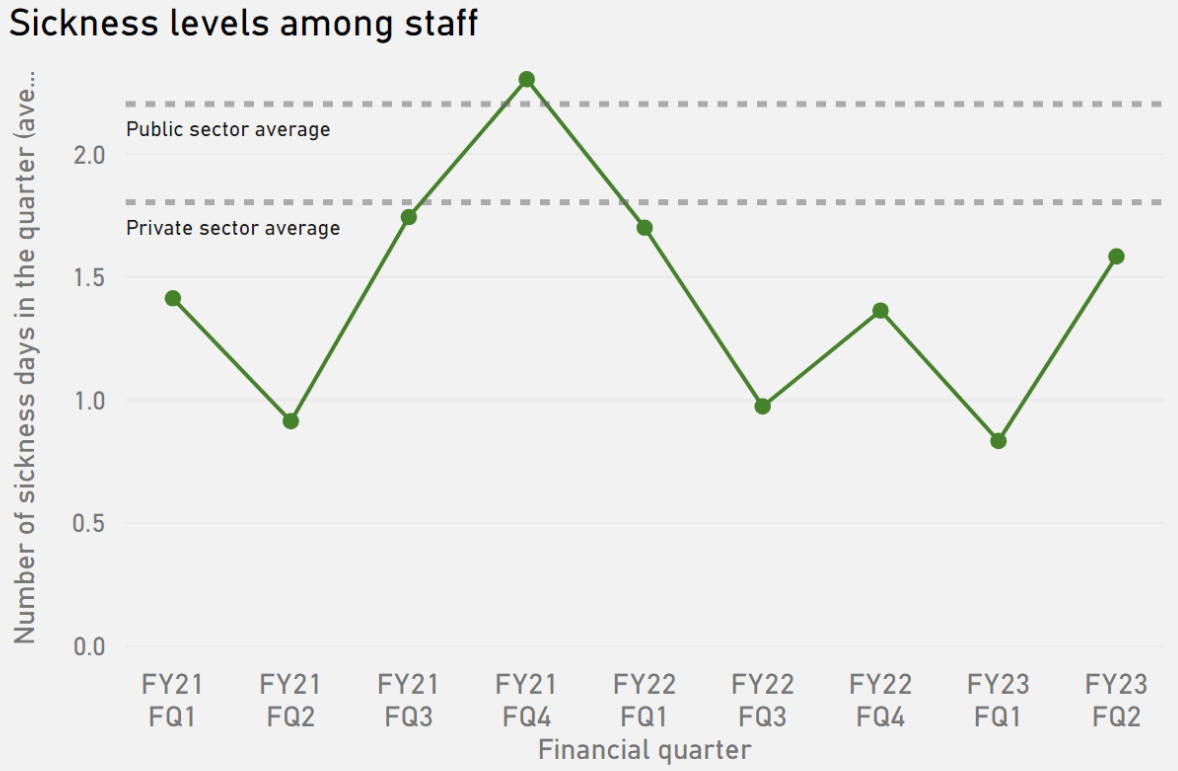
Find out more about our commitment to equality and diversity

281

Number of employees

Snapshot taken 31st March 2023

Gender

Read our gender pay gap report
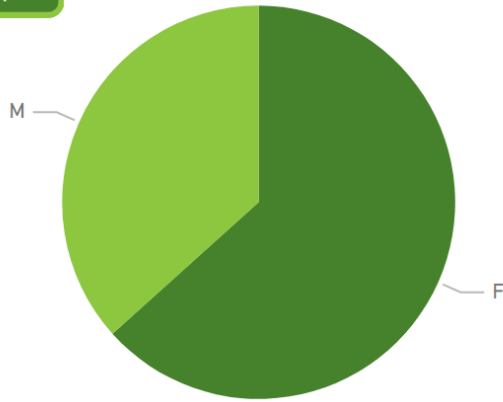
M

F

Age

20 – 24

65 +

25 – 29

35 – 39

30 – 34

50 – 54

40 – 44

55 – 59

45 – 49

60 – 64

Disability

Yes

No

Unknown

Ethnic origin

White – Any other

Not provided

White – British

Religion

Prefer Not to Say

Christian (All den…

Not provided

None

Sexual orientation

Prefer not to say

Not provided

Heterosex…
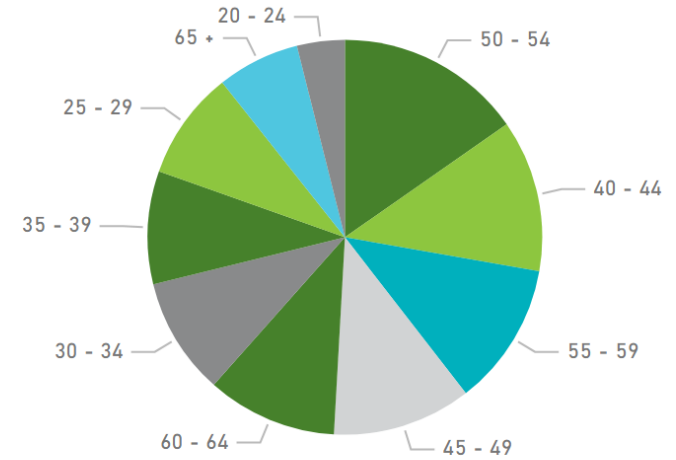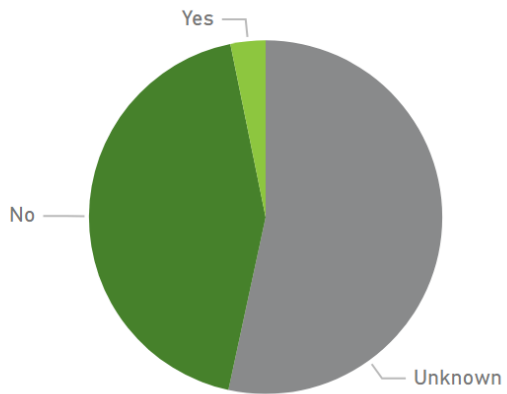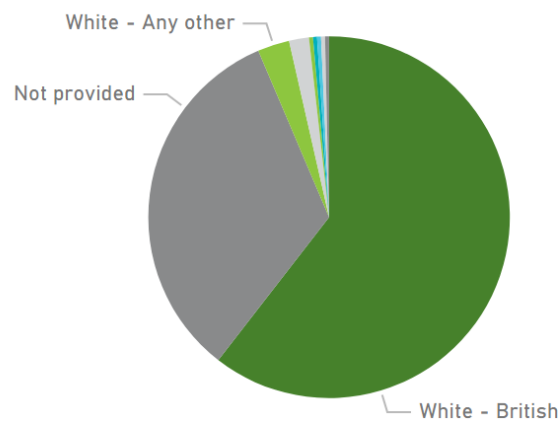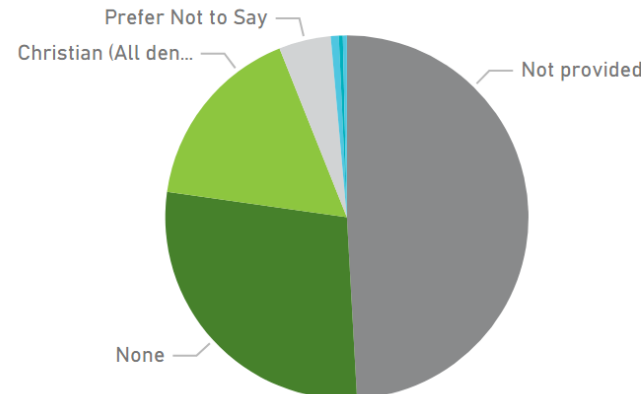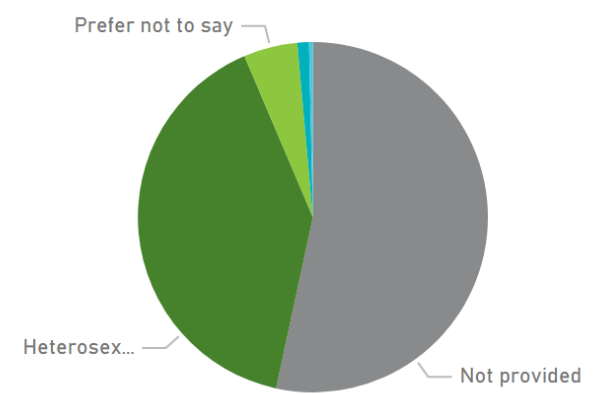
How to use this dashboard

You can use the navigation buttons to navigate between the pages of this dashboard. Every page has a Home button which will take you back to the home page and a button ← which will take you back to the previous page you were on.

Many of the charts and diagrams in this dashboard are interactive. You can filter data or change the way it is displayed by clicking on the charts. To reset all the charts on a page, click on the 'Reset filters' button at the top right. ↺ Reset filters

This dashboard contains data from a range of sources. Some of it is sourced from our internal records and some comes from external sources like the Office for National Statistics. Any data that comes from external sources is marked with this symbol (i) in the top right corner of the graph, which provides a link to the source data when clicked on.

Read our Corporate Strategy

About

This dashboard aims to provide councillors, officers, partners, and members of the public with a comprehensive picture of the progress made against our organisational objectives, as set out in our Corporate Strategy.

We have collated a wide range of data and evidence, both relating to council services and to socioeconomic factors and trends across the borough, to support decision making and to allow us to monitor the impacts of our projects and initiatives.

The dashboard is built using Power BI, an interactive data visualisation tool from Microsoft. Find out more about viewing Power BI reports here.

Contact

This dashboard was created and is maintained by Havant Borough Council's Strategy Unit.

For more information, or to provide feedback, please contact william.jackson@havant.gov.uk or georgie.thurlby@havant.gov.uk

Havant
BOROUGH COUNCIL

Capital Programme Monitoring

Month:	Quarter 2 - September 2023
For Actuals up to:	Quarter 2 - P6 – September 2023
Report Author:	Sonia Dent & Louise Thornton-Turp

Executive Summary:

Overview

Havant Borough Council's capital programme was agreed as part of the annual budget setting process at the meeting of the Council in February 2023.

The capital programme is monitored throughout the year to ensure that funds are spent in line with agreed plans, any potential overspends are identified early and any balances of funds are reallocated appropriately or captured back into the main funds as part of the Council's corporate resources.

The finance team is working closely with the relevant service managers/officers to manage and monitor specific grant funded projects, especially where Section 106 (S106) or Community Infrastructure Levy (CIL) funding is used or allocated.

Performance

The table below is monitoring specific project against the remaining budget allocation from 2022/23 and any additional or new funding agreed in 2023/24. This table does not reflect the full capital programme in its entirety but captures those project areas that are "live" at this current stage.

Further work still needs to be done to improve our capital monitoring processes and the Business Partnering team will be working closely with corporate finance and operational colleges to improve on the processes so Executives and Members have greater clarity on capital spending.

Havant BOROUGH COUNCIL

Ref	Scheme	Funding Source	2022/23 Budget	2023/24 Budget	Total YTD Spend	YTD Variance	Forecast 23/24 Spend	Forecast Variance
**Executive Head of Regeneration and Communities**							
1	Refurbishment of HBC equipped play areas	RES (HBC)	70,000	0	350,885	-280,885	350,885	-280,885
		CIL (HBC)	70,000	0	0	70,000	0	70,000
		Total	**140,000**	**0**	**350,885**	**-210,885**	**350,885**	**-210,885**
2	Springwood Play Area	LUP (DHLUC)	85,000	0	0	85,000	0	85,000
3	Hayling Island Skate Park	S106 (SP)	79,000	0	163,631	163,631	163,631	-84,631
		Grant (VET)	75,000	0	0	75,000	0	75,000
		Grant (HSP)	46,000	0	0	46,000	0	46,000
		Total	**285,000**	**0**	**163,631**	**369,631**	**163,631**	**121,369**
4	Bulbeck Road Redevelopment	BRFG (DHLUC)	0	1,650,000	0	0	0	1,650,000
5	Local Authority Housing Fund	LAHF (DLUHC)	0	211,766	0	0	0	211,766
	Total Executive Head of Regeneration and Communities		**425,000**	**1,861,766**	**514,517**	**158,746**	**514,517**	**1,772,249**
	Executive Head of Commercial							
6	Changing Places	CHGP	0	100,000	0	100,000	0	100,000
7	Asset Maintenance Management System	RES (HBC)	60,000	0	0	60,000	0	60,000
8	Expansion of Garden Waste Scheme	RES (HBC)	0	100,000	0	100,000	0	100,000
9	UKSPF	UKSPF (DHLUC)	25,000	80,000	0	105,000	0	105,000
	Total Executive Head of Commercial		**85,000**	**280,000**	**0**	**365,000**	**0**	**365,000**
	Executive Head of Place							
10	Disabled Facilities Grant	DFG (DWP)	1,628,000	1,628,000	1,071,366	1,071,366	1,071,366	2,184,634
11	Nutrient Neutrality Mitigation	Grant (SLEP)	250,000	0	0	250,000	0	250,000
	Total Executive Head of Place		**1,878,000**	**1,628,000**	**1,071,366**	**1,321,366**	**1,071,366**	**2,434,634**
	Coastal Defence Partnership Manager							
12	Warblington Bridge	CIL (HBC)	300,000	0	0	300,000	0	300,000
13	Hayling Island Beach Management Activities	FDGiA (EA)	500,000	425,000	252,980	252,980	252,980	672,020
14	Langstone FCERM	FDGiA (EA)	437,324	205,788	222,013	222,013	222,013	421,100
		CIL (HBC)	0	123,177	0	123,177	0	123,177
		Total	**437,324**	**328,965**	**222,013**	**345,190**	**222,013**	**544,277**
15	Langstone Repairs	RES (HBC)	0	30,000	0	30,000	0	30,000
16	Hayling Island Strategy	FDGiA (EA)	125,147	0	99,578	99,578	99,578	25,569
		CIL (HBC)	100,000	96,798	0	196,798	0	196,798
		Total	**225,147**	**96,798**	**99,578**	**296,376**	**99,578**	**222,367**
	Total Coastal Defence Partnership Manager		**1,462,471**	**850,763**	**574,571**	**1,194,546**	**574,571**	**1,738,663**
	Total Capital Programme		**3,850,471**	**4,620,529**	**2,160,453**	**3,039,658**	**2,160,453**	**6,310,547**

Page 118

Prudential Indicators 2023/24 Q2

The Authority measures and manages its capital expenditure and borrowing with reference to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

Capital Expenditure: The Authority has undertaken and is planning capital expenditure as summarised below.

	2022/23 actual £m	2023/24 forecast £m	2024/25 budget £m	2025/26 budget £m
General Fund Services	3,342	4,651	6,770	6,022

Capital Financing Requirement: The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt financed capital expenditure and reduces with MRP and capital receipts used to replace debt.

	31.3.2023 actual £m	31.3.2024 forecast £m	31.3.2025 budget £m	31.3.2026 budget £m
General Fund services	12,884	12,649	12,414	12,179

Gross Debt and the Capital Financing Requirement: Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	31.3.2023 actual £m	31.3.2024 forecast £m	31.3.2025 budget £m	31.3.2026 budget £m	Debt at 30.9.2023 £m
Debt	3,052	2,938	2,824	2,706	2,999
Capital Financing Requirement	12,884	12,649	12,414	12,179	

Debt and the Authorised Limit and Operational Boundary: The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

	Maximum debt H1 2023/24	Debt at 30.9.23	2023/24 Authorised Limit	2023/24 Operational Boundary	Complied?
Borrowing	3,052	2,999	25,000	25,000	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Net Income from Commercial and Service Investments to Net Revenue Stream: The Authority's income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below.

	2022/23 actual £m	2023/24 forecast £m	2024/25 budget £m	2025/26 budget £m
Total net income from service and commercial investments	1,448	1,558	1,558	1,558
Proportion of net revenue stream	9.44%	9.97%	10.29%	10.10%

Proportion of Financing Costs to Net Revenue Stream: Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and are charged to revenue.

The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2022/23 actual £m	2023/24 forecast £m	2024/25 budget £m	2025/26 budget £m
Financing costs (£m)	0.362	0.357	0.353	0.348
Proportion of net revenue stream	2.36%	2.28%	2.33%	2.25%

Treasury Management Indicators: These indicators (Asset Benchmark, Maturity Structure of Borrowing, Long-Term Treasury Management Investments and Interest Rate Exposures) are reported within the Treasury Management Mid-Year Report 2023/24.

Havant
BOROUGH COUNCIL

Name of Committee:	Cabinet
Committee Date:	20 December 2023
Report Title:	South Hayling Beach Management Plan: 2024-2029
Responsible Officer:	Lyall Cairns, Head of Coastal Partnership
Cabinet Lead:	Cllr Liz Fairhurst – Cabinet Lead for Coastal
Status:	Non-Exempt

Urgent Decision:	No	Key Decision:	Yes

Appendices:	**A - South Hayling Beach Management Plan: Executive Summary and Technical Document:** https://coastalpartners.org.uk/static/media/resources/hayling-bmp-2024-2029.pdf
Background Papers:	**Adoption of North Solent Shoreline Management Plan**. Full Council, 15th December 2010. **Hayling Island Draft Coastal Management Strategy** (2023) https://coastalpartners.org.uk/project/hayling-island-coastal-management-strategy-2120/
Officer Contact:	Name: Clare Dolan Email: clare.dolan@havant.gov.uk
Report Number:	HBC/061/2023

Corporate Priorities:
High – Supports delivery of corporate priority coastal projects. Supports Havant Borough Councils Corporate Strategy 'Pride in Place' aspiration, which is to *create a great place to live, work and enjoy*. The South Hayling Beach Management Plan will ensure *continued delivery of coastal protection and management of flood and coastal erosion risk* to the Eastoke community, whilst allowing HBC to *maintain and enhance its coastline and harbours for wildlife* and *improve its public open space* along the seafront whilst *embedding environmental matters and considering environmental impacts in all its decisions to help tackle climate change.*

Executive Summary:
The new South Hayling Beach Management Plan (BMP) has been prepared to identify a clear programme to deliver a robust and sustainable beach management approach along the South Hayling open coastline over the next five years (2024-2029). The implementation of beach management as an option for coastal flood and erosion risk management is identified in the Eastoke Point Sectoral Strategy (2006) and the draft Hayling Island Coastal Management Strategy (2023), which recommend Beach Management as the preferred option for delivering coastal flood and erosion risk

management to a 1 in 200 year Standard of Protection in the short term. In addition, the implementation of beach management aligns with the adopted North Solent Shoreline Management Plan (2010), which recommends a policy of Hold the Line for the South Hayling coastline.

The first Hayling Island Beach Replenishment Scheme was implemented in 1985 to help protect the Eastoke residents from coastal flood and erosion risk, with Beach Management Plans undertaken continually on Hayling Island since 1992. The existing South Hayling Beach Management Plan (BMP) expires on 31 March 2024, and there is currently no approved funding in place to follow the end date of this project. Under a 'Do Nothing' scenario, we would expect the flood risk at Eastoke to revert back to pre- 1985 within 10 years depending on storm intensity. Without a beach, the old seawall would then be at risk of undermining and breaching, resulting in frequent flooding and erosion at Eastoke.

This Cabinet Report seeks a mandate to submit the Outline Business Case to the Environment Agency (EA) for approval, and to permit expenditure if approved to allow beach management to continue until 2029 on Hayling Island. The Outline Business Case will request approximately £5.1m (including contingency) of Flood and Coastal Erosion Risk Management (FCERM) Grant in Aid (GiA), to continue with the BMP. Assessment of the project economics has been undertaken to understand the affordability against the Environment Agency criteria. Using the updated figures provided, an application to the EA will be made for the full cost of the project, including contingency. Should any funding gap remain following the EA approval process, the potential requirement has been reported and noted by the Havant Borough Council Infrastructure Delivery Board and has formed a capital bid this year to mitigate any remaining risk.

Implementing the BMP supports the Havant Borough Council Corporate Strategy 'Pride in Place' aspiration, which is to create a great place to live, work and enjoy. The beach management will ensure reduced flood and coastal erosion risk to our Eastoke community, whilst enhancing the environment over the next five years.

Recommendations:

- That Cabinet approve the recommendations of the South Hayling Beach Management Plan to implement a five-year programme of sustainable beach management activities to help reduce the risk of coastal flooding and erosion from the period 01 April 2024 to 31 March 2029, subject to securing the necessary funding.

- That Cabinet notes the application for funding made to the Environment Agency under the Land Drainage Act (1991) to the value of approximately £5.1million of Flood and Coastal Erosion Risk Management (FCERM) Grant in Aid (GiA) to fund the five year Beach Management Plan programme.

- That Cabinet gives delegated authority to the Executive Head of Coastal Partners, following consultation with the Cabinet Lead for Coastal and the S151 Officer, to implement the Beach Management Plan and subsequent activities, subject to securing the necessary funding.

1.0   Introduction

The South Hayling Beach Management Plan (BMP) has been prepared to identify a clear strategy and programme to deliver beach management along the Hayling Open Coast (between Black Point Spit and the Ferryboat Inn) between 2024 and 2029. This plan has been developed in line with existing strategies/studies and the adopted North Solent Shoreline Management Plan (2010) which recommended a Hold the Line option for this frontage and identify Beach Management as the preferred option in the short to medium term at Eastoke.

The Hayling Island BMP has been operational since 1992 following the 1985 beach replenishment scheme at Eastoke, and has evolved to produce the most technically, economically, and environmentally sustainable solution of maintaining the beach in line with recommended strategies for the Eastoke frontage. The BMP works with nature and potential climate change impacts by promoting a 'soft engineering' solution, using the beach at Eastoke as the main form of coastal defence to reduce the risk of coastal flooding and erosion to the properties at Eastoke. This supports the amenity value of the area.

Operationally this next five-year BMP will focus on the recycling of material from areas of accumulated beach material along the Hayling seafront and depositing it back to the residential frontage at Eastoke. It also allows for material to be brought on to the beach from other sources if required, such as import via road, or through a pump-ashore from a dredge. The BMP will support environmental and sustainability issues, alongside working in partnership with our neighbouring landowners to ensure no negative impact to their frontages.

This report seeks the mandate to bid for, and if successful implement, the South Hayling BMP (2024 -2029).

2.0   Background

The current BMP was approved in 2017, with a budget of £3.3m (including contingency) funded through Environment Agency FCERM GiA, over 5 years. In 2021 Coastal Partners applied to the Environment Agency for an extension of 2 years to an end date of 2024. This allowed time for the Hayling Island Strategy to be further developed, along with completion of research projects which would help inform the next BMP. This application was approved in August 2021, with the project contingency used to fund the final two years.

The next stage of the project is to produce a new BMP to cover the next five years, between 2024 and 2029. The technical BMP document is attached as Appendix A to this report and aims to continue to reduce flood and coastal erosion risk to the properties at Eastoke to the same standard of protection as the 2017 BMP.

Current cost estimations suggest that funding to the value of approximately £5.1m (including contingency) will be required to continue business as usual. The cost will include for construction and maintenance of the beach profile, alongside staff time, licencing and consenting, surveying, monitoring and analysis of data, and research

projects needed to further understand the South Hayling shoreline and its interaction with adjacent coastlines.

The BMP Outline Business Case will be submitted for approval to the Environment Agency on 15 December 2023. Assuming this is approved, and all the funding is secured, the project will then commence on 1 April 2024 and run for a five year period until 31 March 2029.

3.0 Options

Building on adopted council policy and previous studies which recommend beach management at Eastoke, the Draft Hayling Island Coastal Management Strategy assessed a variety of coastal management options to determine the most sustainable way of managing coastal flood and erosion risk at Eastoke. In the short to medium term the continuation of beach management activities is identified as the most appropriate solution, noting that in the medium to long term that robust coastal management structures will be required to complement the management of risk here.

The South Hayling BMP (2024-2029) further assessed the best way to implement beach management activities. The objectives, key technical recommendations of the BMP are outlined below along with details on how the works will be procured.

3.1 Technical Objectives
a. Reduce the risk of coastal flooding to 751 residential properties and 27 commercial properties at Eastoke from wave overtopping.
b. Provide a beach profile to withstand a 1 in 200 year (0.5% AEP) unimodal storm event, calculated using best practice guidance.
c. Provide a scheme which is adaptable to sea level rise and climate change.
d. Work with natural coastal processes to maintain movement of material along the frontage.

3.2 Environmental Objectives
e. Avoid damage to human health in the form of danger to life during flooding, and adverse impact following flooding.
f. Where appropriate enhance the human environment (e.g. human health, population and continued flood and coastal erosion risk management).
g. Maintain the amenity value of the beach over the whole frontage for both the local population and holiday makers.
h. Protect and where possible, enhance, biodiversity (flora and fauna), water quality, existing infrastructure (material assets), cultural heritage features and landscape character / visual amenity.
i. Minimise disturbance to the community and natural environment through construction activities.

3.3 Key Technical Recommendations
a. **The preferred option for maintaining the 1 in 200 year unimodal beach profile at Eastoke is beach recycling**. This includes bringing material back into the system from the open beach, Chichester Harbour Approach Channel and from Gunner Point, when available.

Page 124

Should any additional material be needed, this will be sourced from recharge via offshore licenced aggregate sites and will be delivered either by road or through a dredge.

b. **Beach Management Activities will be programmed twice a year**. These will take place in March and September annually where necessary. The ongoing monitoring of the scheme will help inform the requirements for the beach management and the timings throughout the year.

c. **Appropriate trigger levels for works are defined in the BMP**. These levels have been assessed and designed to ensure that any rapid and sustained reduction in beach levels due to storms and extreme conditions are identified and mitigated against. In some cases emergency works to re-establish an acceptable standard of protection may be required. Should this occur, additional funding will be sought from the Environment Agency (FCERM GiA).

3.4 Procurement

It is proposed that the works will be undertaken through annual term service contracts, let via the Coastal Engineering Minor Works Framework, for the land-based beach recycling works and recharge delivered by road. It is also proposed that a five year term service contract be let to allow the dredging works to be undertaken as required. All Contracts will be let in accordance with procurement legislation, Havant Borough Council Standing Orders and Financial Regulations.

4.0 Relationship to the Corporate Strategy

Supports Havant Borough Councils Corporate Strategy 'Pride in Place' aspiration, which is to *create a great place to live, work and enjoy*.

The South Hayling Beach Management Plan will ensure *continued delivery of coastal protection and management of flood and coastal erosion risk* to the Eastoke community, whilst allowing HBC to *maintain and enhance its coastline and harbours for wildlife* and *improve its public open space* along the seafront whilst *embedding environmental matters and considering environmental impacts in all its decisions to help tackle climate change.*

5.0 Conclusion

The South Hayling Beach Management Plan has been in place since 1992, following the large recharge of beach material in 1985, to maintain the beach at Eastoke as the primary coastal defence helping to reduce the risk of coastal flooding and erosion to the properties behind.

The cost of a further five year BMP has been calculated at approximately £5.1million including contingency, which would allow all construction works alongside Coastal Partners staff time, monitoring, licences and consents and analysis to be undertaken. Assessment of the project economics has been undertaken to understand the

Page 125

affordability of the project. Using the updated figures provided, an application to the Environment Agency will be made for the full cost of the project, including contingency.

Implementation of the Beach Management Plan would assist with Havant Borough Council's Corporate Strategy; helping to reduce the risk of coastal flooding and erosion to Eastoke whilst enhancing the environment in line with the 'Pride of Place' aspiration, whilst also supporting service improvement and delivering a corporate priority coastal project.

This Report recommends approval for the BMP be continued for an additional five years, from 2024 to 2029, to maintain the 1 in 200 year Standard of Protection for up to 741 residential properties and 27 commercial properties at Eastoke, with an application made to the Environment Agency in December 2023 for approval prior to 1 April 2024 – the start date of the next BMP period.

6.0   Implications and Comments

6.1   S151 Comments

Members should be aware that there is a potential funding shortfall within this proposal, but that this proposal does not commit Council budget to funding that shortfall. Any application for funding will be presented through the capital programme and agreed by the Council at a later date. The proposal allows the Coastal Partnership team to apply for the funding to be able to continue the necessary works into the future. I am confident that all efforts will be made to close any funding gap via alternative sources and/or through operational efficiencies.

6.2   Financial Implications

Through economic assessments of the project it is estimated that the total value of the works including contingency is approximately £5.1million. This includes for all construction, staff time, monitoring, analysis and licences and consents to allow the project to continue. A breakdown of the spend profile is set out below.

	Financial Year				
	2024/25	2025/26	2026/27	2027/28	2028/29
Spend Profile inc. risk (£k)	761	1,048	732	1,048	1,521

Updated flood modelling and economics have been delivered, and assessment of the impact of this on the project has been undertaken. Based on the current information the benefit cost of the scheme is high at 24.8:1, and the project is seen to be eligible for FCERM GiA. The application will be made to the Environment Agency (EA) to fully fund the project without any further contributions required. Should there be any funding

Page 126

shortfall once the EA have made a decision on the project, this will be further discussed with Havant Borough Council.

The risk of this occurring has been discussed at the HBC Infrastructure Delivery Board, and a Capital Bid for the shortfall has been included in this years' round of applications to mitigate the risks of the Environment Agency not funding the works in their entirety. Should less funding be secured than required a reduced standard of protection to the community at Eastoke would have to be considered.

6.3   Monitoring Officer Comments

The Council is under a common law duty to regularly review and update plans and strategies of this nature and the timing of review in this case supports the making of an application for funding to assist in the delivery of the proposed Plan. Funding is not confirmed, and delivery Plans do not commit the Council to work until the funding application has been formally determined and an allocation of funding made.

6.4   Legal Implications

These works are currently undertaken under s.1 of the Localism Act 2011 (power of general competence), which enables a Local Authority to do anything that individuals generally may do, whether for a commercial purpose or otherwise (with or without charge) for the benefit of its area.

The Council has permissive powers to undertake sea defence and coastal erosion works under the Land Drainage Act 1991, Coast Protection Act 1949, and Water Resources Act 1991, and act in the public interest doing so only when there is:
- A clear economic benefit
- An appropriate engineering solution which can be achieved
- No contravention of environmental legislation

6.5   Equality and Diversity

Any works undertaken will be assessed in accordance with the pervasive duties under the Equalities Act 2010, and the Human Rights Act 1998, in particular with relation to Article 1; First protocol relation to the right to peaceful enjoyment of property.

6.6   Human Resources

n/a

6.7   Information Governance

Any data collected as part of the project will be held in line with Havant Borough Council's retention and data protection policies. Contractors will be made aware of the policies, with an additional clause added to all Contracts with relation to data protection. Any project specific data will be deleted at the end of each contract period.

Page 127

6.8   Climate and Environment

Planning permission for the South Hayling Beach Management Plan was granted in perpetuity in 2017 by Havant Borough Council (ref: APP/17/00342). At the same time, a Marine Management Organisation (MMO) licence was granted for a 10 year period, ending in 2027 (ref: L/2017/00240/1). Funding has been built into the new Beach Management Plan to allow for application and consultation for a further 10 year licence. A licence from Chichester Harbour Conservancy is also in place. This will be renewed in January 2024 under the existing Beach Management Plan and will last for a period of five years.

Over the current BMP period we have worked with internal teams and our Contractors to identify savings with relation to carbon emissions, alongside reducing the overall impact of the works on the environment. Prior to each beach management campaign we ensure there is no negative impact to the existing environment through undertaking vegetated shingle surveys and bird surveys and ensuring avoidance of all protected habitats. We also monitor the growth of vegetated shingle throughout the whole BMP period, which is reported annually to Natural England, the MMO and other key stakeholders.

Our Contractors now use biodiesel in their machinery when working on site, and there is the option moving forward to trial HVO (hydrotreated vegetable oil) to reduce carbon emissions from all machinery further.

7.0   Risks

7.1   Since the last BMP funding application there have been significant changes in guidance and funding approaches within the sector.

The application to the Environment Agency has been made to request FCERM GiA funding for the project. Although current economics show that the project should be eligible for full funding through the Environment Agency, there is a remaining risk that this is not the case, and a shortfall may be identified. Should the funding gap remain once the project is approved, the potential requirement has been reported and noted by the HBC Infrastructure Delivery Board and has formed a capital bid this year.

Should a new BMP not be approved, up to 751 residential properties and 27 commercial properties at Eastoke may be left exposed to increased coastal flood and erosion risk.

Should less funding be secured than required a reduced standard of protection to the community at Eastoke would have to be considered and emergency plans reviewed and revised.

7.2   Coastal Partners have identified the resource needs for the project on their Business Plan/Action Plan. Allocation of Coastal Partners Research Team to lead the production and application of the BMP to the Environment Agency. Once approved the Engineering Team will

Page 128

lead the construction on site, with input from the Environment Team as licences and consents are required. Estimated staff costs are included within the FCERM GiA application to the Environment Agency.

7.3 The works proposed as part of the BMP are a continuation of existing practices and therefore the risks are well known and documented. These risks have been compiled into a Risk Register for the project. Measures have been put in place to manage and mitigate these. The works will also be undertaken under existing licences and consents, which contain methodologies for mitigating any additional risks. All works on the beach will comply with the latest CDM Health and Safety regulations, which will address any potential health and safety implications for the general public, as well as those directly involved with the works.

8.0 Consultation

Key statutory consultees have been continually consulted throughout the life of the current BMP and will continue to be so going forwards as the new BMP becomes active. These include the Environment Agency, Natural England, Marine Management Organisation, Havant Borough Council (as landowners) and Chichester Harbour Conservancy, alongside other private landowners. Meetings are currently planned with the local community, and additional information will be uploaded to the website and shared with the community as the project progresses. The BMP Communications Plan identifies consultation carried out and proposed future consultation as part of the project.

9.0 Communications

A communications plan, including strategies for managing communications and public relations, has been produced as part of the Beach Management Plan. This will remain a live document that will be maintained over the life of the BMP. A webpage is also under production which will contain an overview of the new BMP along with the most Frequently Asked Questions with regards to the development and implementation of the scheme.

Agreed and signed off by:		Date:
Cabinet Lead:	Councillor Liz Fairhurst	26/11/2023
Executive Head:	Lyall Cairns	22/11/2023
Monitoring Officer:	Jo McIntosh	12/12/2023
Section151 Officer:	Steven Pink	11/12/2023

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Havant
BOROUGH COUNCIL

Name of Committee:	Cabinet
Committee Date:	20 December 2023
Report Title:	**Procurement of new IT system for Planning, Environmental Health, Licensing and Grants**
Responsible Officer:	Alex Robinson – Executive Head for Place
Cabinet Lead:	Cllr Elizabeth Lloyd - Cabinet Lead for Planning, Environment and Water Quality
Status:	Part-Exempt

Urgent Decision:	**No**	Key Decision:	**No**

Appendices:	Appendix 1: 'Place' Service Software Procurement Full Business Case - November 2023 (Exempt)
Background Papers:	Future of ICT Infrastructure and Security Provision Options Paper (18 January 2023)
Officer Contact:	Name: Alex Robinson – Executive Head of Place Email: alex.robinson@havant.gov.uk
Report Number:	HBC/063/2023

Corporate Priorities:

The Council's Corporate Strategy is made up of the following three themes: Wellbeing, Pride in Place and Growth. The Council's Planning, Environmental Health and Licensing functions are central to delivering key components of the Corporate Strategy as well as delivering essential public services. These functions cannot operate without functioning software and systems.

Executive Summary:

The Council's current IT systems and a range of other supporting software packages are hosted as part of the Capita 5Cs contract which is due to end in September 2025. This covers a number of essential services such as Environmental Health, Planning, Licensing and Grants.

The Council needs to ensure replacement systems are in place before this date to ensure high profile and critical public services continue to be delivered. Following a full open tender process exercise the Council is proposing to select ARCUS GLOBAL LIMITED to deliver two separate systems – a Generic Case Management system to support Environmental Health, Licensing and Grants and the Arcus Platform to support the Council's Planning Service.

Recommendations:

Cabinet is requested to:

1. Award a contract to Arcus Global Limited to provide the replacement software for the Council's Planning Service for a period of five years at a cost of no more than £245,000.

2. Award a contract to Arcus Global Limited to provide the replacement software for the Council's Environmental Health, Licensing and Grants services for a period of five years at a cost of up to £225,000.

3. To delegate authority to the Executive Head of Place in consultation with the Monitoring Officer and Section 151 officer to finalise and enter into a contract with the preferred supplier.

1.0   Introduction

1.1   This report sets out to Members the need to replace the Council's existing legacy IT software systems that are currently used by the Council's Planning, Environmental Health, Licensing and Grants services. The Council currently uses a combination of legacy systems as outlined below:

- Planning (Acolaid)
- Environmental Health (Acolaid)
- Licensing (Lalpac)
- Grants (Acolaid and Enterprise)

1.2   These systems are currently hosted by Capita through the 5Cs programme which is due to expire in September 2025. Replacement systems are required and need to be fully operational by this date to ensure the Council is able to operate key public services after the termination of the Capita 5Cs contract. Moreover, these systems are legacy and are inhibiting the Council's ability to be efficient and innovative. Their replacement provides the Council with the opportunity to significantly modernise existing business operations across the Place directorate, improving efficiency and delivering better outcomes for customers.

Page 132

1.3   The report seeks approval to enter into contract(s) with the preferred supplier of the new system and confirms changes to the Council's Capital Strategy.

2.0   Background

2.1   The Planning, Environmental Health, Licensing and Grants teams provide essential services to the community and to businesses and continuity of service is critical. These systems are currently hosted by Capita through the 5C's programme which is due to expire in September 2025. If these systems are not replaced and operational by the time the Capita 5C's contract expires there is significant risk that the Council will be unable to deliver core services and/or secure separate short-term agreements with existing suppliers to continue to host services at significant cost.

2.2   In addition, the Council is embarking on a period of digital investment that will improve how our front-facing services are delivered through more efficient processes with greater emphasis on automation, digitisation and data availability.

2.3   The Council currently spends £120,842.90 per annum or £604,214.50 over the last five-year period. This is broken down by system as follows:

Row Labels	Sum of Total Annual spend
Generic CM SaaS	£36,385.54
Environmental Health/Grants	£16,554.79
Land Charges	£5,449.45
Licensing	£14,381.30
Gazetteer SaaS/Small App	£5,620.42
Gazetteer	£5,620.42
Planning CM SaaS	£78,836.94
Planning/Planning Enforcement	£78,836.94
Grand Total	**£120,842.90**

Page 133

2.4   Both Land Charges and the Gazetteer are excluded from the procurement of the IT system for Planning, Environmental Health, Licensing and Grants. The procurement of these systems will be undertaken separately.

3.0   Options

3.1   The Council has prepared a Full Business Case (FBC) based on the Office of Government Commerce Five Case Model for Business Cases. The FBC is appended to this report, but the following summary is provided:

3.2   **Option 1 – Do nothing and let the contracts run out / automatically renew.** Acolaid is an aging product and allowing it to expire/renew is delaying the inevitable replacement of a server-based system the Council has used since 1999. The decision would also incur a substantial future exit cost and onboarding/data migration and support/hosting cost from both the current infrastructure provider, Capita, and a future infrastructure provider at the end of the 5C's contract. In addition, the Council would incur additional costs for server and maintenance to support this arrangement under Capita at £120,842 per annum until September 2025. Under this option it is likely that the service would continue to experience operational difficulties and the quality of the product deteriorating with the Council needing to purchase additional updates at significant cost given the product is a legacy system with no further development being carried out by the provider. Its continued use is likely to result in an unreliable service which will damage organisational performance and outcomes for customers.

3.3   The costs of this option over the contract period are estimated at £1,730,000. Coupled with the issues this option is likely to have on service delivery, this option is not favoured. Unless the Council takes action Option 1 is the default position once the Capita contract comes to an end.

3.4   **Option 2 – Council builds its own software solution.** The FBC has considered the option of the Council developing its own in-house system from scratch. However, the Council does not have the in-house skills or

Page 134

capacity to develop a bespoke software system, and this is estimated to cost £2,693,000 over the next five years.

3.5 This option has been ruled out as the Council does not have the capacity or knowledge to create this or maintain this going forward as well as requiring a support resource dependency that may not be replaceable within the market. Moreover, a bespoke system will rule out any future cross authority working that may be required.

3.6 **Option 3 – procure replacement software package from provider.** This involves approaching a number of specialist software and systems providers to deliver the service. The FBC sets out the benefit of utilising specialist and experienced software providers to provide proven software for the service. This is against a backdrop of the significant risk of reputational damage to the Council if it is unable to smoothly transition from one system to another and to deliver front line services continuously.

3.7 The FBC also highlights the existing capacity issues facing the Council, the need to protect frontline services and the need for specialist skills to deliver the project. The FBC also identifies a number of other benefits of a new system including generating efficiencies, improving operational delivery and creating capacity to increase income; all of which are detailed in the FBC. It is estimated that once the system is operational it will allow 1 x FTE write in full planning officer time to be redeployed to undertake commercial work at a rate of £500 per day. Furthermore, from year two 1 x FTE of technical / admin support time will be saved allowing this resource to be redeployed.

3.8 Option 3 was originally estimated to involve a c.15 - 20% uplift on existing licensing costs over the lifetime of the contract.

3.9 The Council has embarked on a full open tender exercise inviting bids from the market for the replacement systems. Tenders were evaluated to determine the Most Economically Advantageous Tender taking into

Page 135

consideration the award criteria. Bids were assessed in accordance with the following weighting: 40% Price & 60% Quality.

3.10   The full tenders received were assessed in detail based on the criteria set out above The following table provides the cost of the preferred organisation:

New Costs	24/25	25/26	26/27	27/28	28/29	Total
Case Management	£131,485	£28,114	£28,114	£28,114	£28,114	£243,941
Planning System	£140,786	£21,086	£21,086	£21,086	£21,086	£225,130
Total	**£272,271**	**£49,200**	**£49,200**	**£49,200**	**£49,200**	**£469,071**

4.0   Funding Rationale

4.1   The total cost to the Council of the new software will be £469,071 over contract term (January 2024 – January 2029). If the Council were to retain the existing licenses this would cost the Council at least £549,214.50. The new contract represents a saving of £80,143 over the lifetime of the contract (this takes into account honouring the existing costs of providing the Land Charges and Gazetteer services). However, given the termination of the Capita contract the baseline costs of providing the existing licenses would be significantly higher given the expected hosting and 5C exit costs and infrastructure provision as outlined in paragraphs 3.2 - 3.3 of this report.

4.2   It should be noted that the costs outlined above exclude the project management and other implementation costs needed to fully transfer the Council to the new systems. The resource for this, and the implementation of the other ICT infrastructure has been previously approved by Cabinet (8 November 2023 – Report Reference HBC/055/2023).

4.3   Having said this the FBC demonstrates that in years 3 - 5 the costs of the licenses will be covered by the potential for savings in administration costs but also in potential income growth through redeployment of officers to more commercial activities.

Page 136

5.0   Programme and Resourcing

5.1   This is a four-phase programme – Initiation, systems / data integration, system testing, staff training and legacy system - with a projected planned go live date of April 2025. This is outlined below:

Activity	Duration (weeks)	Complete by
Council Approval	1	January 2024
Finalise and enter in contract	4	January 2024
Appoint Resource	4	January 2024
Project Initiation	2	February 2024
Systems / data Integration	24	August 2024
Develop new system processes	6	October 2024
System Testing	4	December 2024
Staff Training	6	January 2025
System Sign off	1	March 2025
System Go-Live	1	April 2025

5.2   Whilst the resources required to implement the software have been secured there will inevitably be an impact on Business as Usual as existing staff will be drawn into the project throughout to ensure a seamless transition to the new system.

6.0   Relationship to the Corporate Strategy

6.1   The Council's Corporate Strategy is made up of the following three themes: Wellbeing, Pride in Place and Growth. The Council's ability to deliver most of the Corporate Strategy's priorities is contingent on having operational and effective organisational systems and processes. If the Council's key services do not have operational IT and software systems then many aspects of the Council's Strategy will not be delivered, including essential public services.

Page 137

6.2 In particular the Council aims to become a responsive Council by improving our customer services and all the services we deliver. In addition, the Council is also committed to becoming a digital council by implementing in full our Digital Strategy.

7.0 Conclusion

7.1 The Council's software for Planning, Environmental Health, Licensing and Grants is currently hosted as part of the Capita 5C's contract which is due to end in September 2025. The Council needs to ensure replacement systems are in place by this date to ensure these essential services can remain operational after this date and reduce the cost of a new Infrastructure and Security provider contract from September 2025.

7.2 The Business Case demonstrates there is a compelling case for replacing this aging software and expects to realise a number of benefits including generate efficiencies, reducing costs and creating capacity to increase income.

8.0 Implications and Comments

8.1 S151 Comments – Members can be assured that the process to procure the new IT system has followed financial thresholds and procurement regulations. Whilst there is an upfront element to the costs, the full lifecycle costs will see a reasonable budget saving. Even if the annual licence fees were a minimal saving, the upfront costs would be expected via any new supplier. A more modern, efficient and user-friendly system will also help to support speed and accuracy of process. Given the new conditions attached to the national changes in planning fees, this will help to support better retention of planning funding as well as delivering a more efficient and professional service.

8.2 Financial Implications - the financial implications are set out in the body of the report and in the s151 comments.

Page 138

8.3   Monitoring Officer Comments – The Council's internal governance procedures have been followed to ensure due diligence and consideration has been given to the proposal to award the contracts and obtain best value.

8.4   Legal Implications - The Council is empowered to enter into contracts to support its core functions, including the procurement of the supply of support and technical services, by virtue of s.1 Localism Act 2011 (Power of General Competence). Any procurement process must comply with UK procurement legislation and the Council's contract standing orders as set out in its Constitution as amended from time to time. Any supplier will be contractually required to ensure their product and services fully comply with the requirements of the Equalities Act 2010 with regards the accessibility of the goods and services to end users (internal and external as appropriate).

8.5   Equality and Diversity - it is not considered that there are any equality or diversity implications from the report.

8.6   Human Resources - It is not considered that there are any Human Resource implications arising from the report.

8.7   Information Governance - A DPIA will be completed to identify and mitigate risk, particularly in the migration of data. The DPO will be part of the project team to ensure consultation throughout the project.

8.8   Climate and Environment - It is not considered that there are any climate and environment resource implications arising from the report.

9.0   Risks

9.1   The following risks have been identified for the project:

9.2   Capita Migration Deadline – Not completing migration by the end of the 5C's contract would result in the necessity for either an extension of the current

Page 139

hosting contract, or migration to another infrastructure leading to significant cost increase. This is being mitigated by pursuing option 3 but it still remains a risk despite mitigations.

9.3   Data Migration - The time required for data migration may be underestimated or there may be additional complexities in the data migration. The Business Case includes dedicated officer resource for this but given the scale of records that need to be converted this remains a high risk of not being completed in time.

9.4   Delays in Procurement – The Council has acted quickly to procure suppliers ensuring full compliance with the Council's procurement rules. This risk has now been addressed.

9.5   Insufficient Internal Capacity - The Business Case includes dedicated officer resource to minimise the disruption to business as usual. However, there is still likely to be pressures placed on existing staff as the new system is onboarded. There is a high likelihood of service disruption with a medium to high impact.

9.6   Failure of Market to Deliver – A number of other local authorities are currently moving to new systems and there is only a relatively small number of suppliers. Whilst the Council has been careful to ensure the preferred supplier can deliver in the Council's timescales there is a medium likelihood that this will be delayed with a high impact on service delivery.

9.7   Cost escalation – Although the Council has secured a fixed price contract for the work it is possible that unforeseen matters arise throughout the project that increase costs. This risk will be managed at the project level and reported through the Council's usual escalation processes.

9.8   Reputational damage for the Council – failure to deliver front line services and the potential for the loss of historic data will lead to significant organisational and political reputational damage. If the Council is unable to deliver future services because it lacks very basic information about previous

Page 140

claims, applications of prosecutions the Council will be unable to perform basic service operations.

10.0 Consultation

10.1 No external consultation has taken place.

11.0 Communications

11.1 No external communication has been undertaken.

Agreed and signed off by:		Date:
Cabinet Lead:	Elizabeth Lloyd - Cabinet Lead for Planning, Environment and Water Quality	12/12/23
Executive Head:	Alex Robinson – Executive Head of Place	12/12/23
Monitoring Officer:	Jo McIntosh – Monitoring Officer	12/12/23
Section151 Officer:	Steven Pink - S151 Officer	12/12/23

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