



## Democratic Services

**Location:** Phase II  
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**My Ref:** SC

**To: COUNCILLOR MARTIN GODDARD  
CABINET MEMBER FOR FINANCE**

**COUNCILLOR DOUGLAS MILLS  
CABINET MEMBER FOR CORPORATE SERVICES  
AND TRANSFORMATION**

**COUNCILLOR EDDIE LAVERY  
CABINET MEMBER FOR ENVIRONMENT,  
HOUSING AND REGENERATION**

c.c. All Members of Executive Scrutiny Committee  
c.c. Perry Scott, Director of Infrastructure,  
Procurement, Business Improvement,  
Communications, Waste Services and ICT  
c.c. Chairman of the Corporate Services, Commerce  
and Communities Policy Overview Committee  
c.c. Julia Johnson, Residents Services  
c.c. Conservative and Labour Group Offices  
(inspection copy)

**Date:** 26 April 2021

## Non-Key Decision request

## Form D

### **CAPITAL RELEASE REPORT (April 2021)**

**DEPARTMENT:** Resident Services

**SERVICE AREA / PROGRAMME:** ICT Corporate Technology & Innovation  
Programme - Purchase of Exacom System for Monitoring of S106 & CIL  
Liabilities

**RELEASE NO:** 3

Dear Cabinet Member

Attached is a report requesting that a decision be made by you as an individual Cabinet Member. Democratic Services confirm that this is not a key decision, as such the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 notice period does not apply.

You should take a decision **on or after Wednesday 05 May 2021** in order to meet Constitutional requirements about publication of decisions that are to be made. You may wish to discuss the report with the Corporate Director before it is made. Please indicate your decision on the duplicate memo supplied, and return it to me when you have made your decision. I will then arrange for the formal notice of decision to be published.

Steve Clarke  
Democratic Services Officer

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**Title of Report:** ICT Corporate Technology & Innovation Programme - Purchase of  
Exacom System for Monitoring of S106 & CIL Liabilities - Release No 3

**Decision made:**

**Reasons for your decision:** (e.g. as stated in report)

**Alternatives considered and rejected:** (e.g. as stated in report)

Signed .....Date.....

*Cabinet Member for Finance / Cabinet Member for Corporate Services and Transformation  
/ Cabinet Member for Environment, Housing and Regeneration*

## CAPITAL RELEASE REPORT (April 2021)

**DEPARTMENT:** Resident Services

**SERVICE AREA / PROGRAMME:** ICT Corporate Technology & Innovation Programme -  
Purchase of Exacom System for Monitoring of S106 & CIL Liabilities

**RELEASE NO:** 3

<b>Cabinet Members</b>	Councillor Martin Goddard Councillor Douglas Mills Councillor Eddie Lavery
<b>Cabinet Portfolios</b>	Cabinet Member for Finance Cabinet Member for Corporate Services and Transformation Cabinet Member for Environment, Housing and Regeneration
<b>Officer Contact</b>	Julia Johnson, Residents Services
<b>Papers with report</b>	Appendix A with capital release requests for approval

## HEADLINES

<b>Summary</b>	To seek Cabinet Member approval for the release of capital funds for the purchase of Exacom System for S106 & CIL Liabilities.
<b>Putting our Residents First</b>	This report supports the Council objective of strong financial management.
<b>Financial Cost</b>	This report seeks the release of £23k from the Corporate Technology & Innovation Programme for the purchase and implementation of the Exacom System for monitoring planning obligations. The works will commence upon release of the funds and are due for completion by June 2021.
<b>Relevant Policy Overview Committee</b>	Corporate Services, Commerce and Communities Policy Overview Committee
<b>Ward(s) affected</b>	All

## RECOMMENDATION

That the Cabinet Member for Finance, the Cabinet Member for Corporate Services and Transformation, and the Cabinet Member for Environment, Housing and Regeneration agree to the following capital release request of £23,100 from the ICT Corporate Technology & Innovation Programme budget to fund the purchase of the Exacom System for monitoring S106 and CIL Liabilities (Appendix A).

## **Reasons for recommendation**

The purchase and implementation of the Exacom system will enable the Council to fulfil its statutory duties for the monitoring of Section 106 and Community Infrastructure Levy (CIL) obligations including the publication of quarterly reports on the Council's website and the preparation of an Infrastructure Funding Statement required by 31 December each year. The system will also improve service quality and resilience through the creation of a single reliable data source. The procurement of the system has been approved by the Council's ICT Board.

## **Alternative options considered**

The alternative option is to seek improvements to the Ocella Legal Agreement Module which is currently used to monitor Community Infrastructure Levy liabilities. However, the capabilities of this system are more limited and will not enable the service transformation opportunity provided by the purchase of Exacom.

## **Democratic compliance / previous authority**

This report has been issued for decision to the two relevant service Cabinet Members (Planning & ICT) along with the Cabinet Member for Finance for joint capital release approval.

## **Policy Overview Committee comments**

None at this stage.

# **SUPPORTING INFORMATION**

## **Project Background**

To mitigate the impacts of new development on local infrastructure, new developments can be required to make planning contributions via a Section 106 (S106) agreement or through a Community Infrastructure Levy (CIL) liability.

The money raised from either a S106 agreement or a CIL pays for the infrastructure required to support the development. This includes transport schemes, flood defences, schools, health and social care facilities, parks, open spaces and leisure centres. Additionally, Hillingdon as a London Borough is also responsible for collecting CIL on behalf of the Mayor of London. This aims to raise £300m towards the Crossrail project.

The Council's general planning database (Ocella) has a dedicated Legal Agreement Module (LAM) which was created to enable the monitoring of S106 and CIL. The module has been used to record CIL liabilities and contributions since the introduction of Mayoral CIL in 2012, however it has become outdated and its ability to accurately inform on S106 and CIL obligations that remain outstanding is limited. Other Local Authorities typically use a specialist Planning Obligations tool to manage S106 and CIL, in addition to their core Planning system.

It is, therefore, proposed that the Council procures a new system for monitoring the collection and delivery of planning contributions with the following benefits identified:

- **Satisfy legislative requirement to share CIL spend data with MHCLG and to prepare an annual Infrastructure Funding Statement.**  
The Ministry for Housing, Communities and Local Government (formerly DCLG) recommend producing an infrastructure funding statement each year that outlines the current position of CIL for each Local Authority. As a minimum, they require raw data to be made available in CSV format in order to populate a national database.
- **Ensure LBH maintains legislative compliance whenever statutory changes are required to processes, templates or reports.**  
A Software as a Service (SaaS) system, that is kept up to date by the supplier whenever legislative changes are required, would remove an administrative burden from both the Planning Service and ICT.
- **Improve Service resilience.**  
All data relating to CIL and S106 should be held in a single centralised system. Reliance on various systems and spreadsheets should be reduced, as well as ensuring that data is accessible by all members of the Service Area. This is particularly important at present, with the need for staff to avoid face to face contact and considerable numbers of staff working from home.
- **Improve ability to secure income from developers.**  
Although a system used to administer S106 and CIL does not necessarily result in increased revenue being generated, it does increase the chances of securing money owed to the Council. Any surcharges or interest should always be added to outstanding obligations and developers should be encouraged to avoid making late payments.
- **Reduce time spent manually calculating planning obligations.**  
An effective system should take away manual calculations, reducing officer time spent and removing the opportunity for human error.
- **Increase transparency of S106 and CIL processes for Residents and developers.**  
The national press has previously reported on the state of S106 and CIL and raised concerns that income received by Local Authorities is not being spent correctly, on the infrastructure projects specified. This has resulted in mistrust of the planning process and a reluctance by developers to make the required payments.

## Procurement of Exacom

Exacom is a commercial off-the-shelf system that specialises in the management of S106 and CIL data. It is a cloud-based system designed specifically to administer planning contributions

made to local authorities. It will be able to hold all financial data relating to planning contributions in one system and would interface with the Council's Ocella Planning System. Given the specialist nature of the system, it will be procured through a Single Tender Action as agreed by the ICT Board.

Table 1 below provides a cost plan of the capital costs:-

Table 1: Cost Plan

Description	Capital Cost £
Exacom System (CIL, S106 & Project Modules)	15,750
Ocella Integration costs	5,250
Internal Fees	1,050
Contingency	1,050
<b>Sub Total</b>	<b>£23,100</b>

## Financial Implications

### Corporate Technology and Innovation Programme Budget £3,706k, Previously Released £3,373k, Capital Release Requested £23k - Appendix A

The revised capital programme budget for the Corporate Technology and Innovation Programme 2020/21 to 2023/24 totals £3,984k funded from Council resources. Of this, £278k relates to the ICT Equipment capitalisation budget, leaving a balance of £3,706k for the main ICT programme. The £3,706k revised budget includes £2,916k previously released funding rephased from 2019/20 for projects continuing into this year.

The report seeks the capital release of £23k to progress the purchase of the Exacom system to monitoring for S106 and CIL liabilities.

The capital cost of the project is £23k and is based on quoted costs of £21k and is inclusive of internal fees and contingency of 5% of the quoted costs.

The associated revenue costs relating to the annual maintenance of this new system will be funded through an increase in S106/CIL monitoring revenue income. A budget transfer from Planning and Regeneration to ICT will be processed in 2021/22 to reflect the agreed funding arrangement. There is a two-year minimum contract requirement; the cost in Year 1 is £6,750 (inclusive of a 25% discount), rising to £9,000 in Year 2. Should the contract be extended after Year 2, it is expected that the annual maintenance costs will remain at £9,000.

## RESIDENT BENEFIT & CONSULTATION

### The benefit or impact upon residents, service users and communities

The implementation of the Exacom system will enhance the Council's ability to monitor the delivery of planning-related infrastructure contributions. This will ensure that the Council continue

to secure all obligations and liabilities due to it, which can then be used to fund relevant infrastructure priorities on behalf of residents.

### **Consultation carried out or required**

Consultation not required.

## **CORPORATE CONSIDERATIONS**

### **Corporate Finance**

Corporate finance concurs with the financial implications above, noting that the implementation of the new system will improve financial monitoring and control around Section 106 and Community Infrastructure Levy planning obligations.

### **Legal**

The Borough Solicitor confirms that the Council is responsible for carrying out this function pursuant to Section 106 of the Town & Country Planning Act 1990.

Thus there are no legal impediments to the capital release being authorised, although any contract that is entered into must comply with the Council's Procurement and Contract Standing Orders.

### **Capital Release Protocol**

The release of all capital funds, and certain revenue funds, held by the Council is to be made by a formal democratic decision. No expenditure can be placed or committed by officers until this formal approval is given by Democratic Services. Release of funds must be for identified projects only and strictly not for the general release of funds for projects to be identified at a later date. No block releases of capital or funding will be allowed, except if authorised by the Leader of the Council in advance to Corporate Finance. The release of funds will only be made if previous Council, Cabinet or Cabinet Member agreement has been given to the project and only if there is an approved budget.

## **BACKGROUND PAPERS**

NIL.

## APPENDIX A

### ICT Corporate Technology & Innovation Programme – Purchase of Exacom System (Capital Release No. 3)

Project / Expenditure Title	Information	Funds Release Sought £'000s	Approve	Hold	More Information Required
Corporate Technology and Innovation Programme	Exacom System	23			
<b>Total seeking release</b>		<b>23</b>			
<b>Previously released</b>		<b>3,373</b>			
<b>Budget</b>		<b>3,706</b>			
<b>Remaining budget</b>		<b>310</b>			