

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

21 June 2017

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Cabinet - Council Decision

1 REVENUES AND BENEFITS – SHARED SERVICE

Members are advised of the progress with the implementation of the Shared Service, and are invited to recommend to Cabinet and then Full Council that the evaluation of IT and digital solutions be approved.

1.1 Introduction

1.1.1 At the meeting of the Cabinet on 21 March 2017, Members considered a report in respect of the potential shared service for revenues and benefits. The Cabinet resolved that:

- 1) the establishment of a Shared Service for Revenue and Benefits between Tonbridge and Malling Borough Council and Gravesham Borough Council be approved as set out in the report;
- 2) the Director of Finance and Transformation, in liaison with the Cabinet Member for Finance, Innovation and Property and Leader, be authorised to progress detailed negotiations with Gravesham Borough Council (GBC) accordingly;
- 3) Tonbridge and Malling Borough Council would prefer to be considered as the lead authority (and site provider) for the Shared Service and the Overview and Scrutiny Committee be advised accordingly for the purposes of the accommodation review;
- 4) the Director of Finance and Transformation be authorised to commence consultation and discussion with staff as appropriate;
- 5) the target implementation date of July 2018 be noted; and
- 6) further progress reports setting out detailed proposals for the implementation of the shared service be presented to either Finance, Innovation and Property Advisory Board, General Purposes Committee or directly to Cabinet as appropriate.

- 1.1.2 Since the report to Cabinet, staff briefings have taken place at both authorities and a Revenues & Benefits Shared Service Development Project Board has been set up consisting of key staff from both TMBC and GBC. Sub-groups undertake detailed investigative work on specific areas (e.g. property, HR etc) and report directly into the Project Board. A staff portal is being set up to keep staff informed as to progress; including reports to Members.
- 1.1.3 The Project Board agreed that the key 'initial' decisions that are required in order to lay the foundations for the Shared Service relate to the 'host' site, and some IT and 'digital' transformation related matters.
- 1.1.4 It is intended that a report will be presented to the General Purposes Committee on 26 June setting out the recommendations from the Project Board in respect of the hosting of the shared service. This report focuses on issues relating to IT and digital services.

1.2 IT Services and Digital Transformation

- 1.2.1 As was explained in the report to Cabinet on 21 March, both authorities operate the same key systems (Northgate and information@work) for the delivery of revenue and benefits services which provides a good foundation for the shared service. Both authorities need to invest in digital customer platforms to assist with the transformation of service delivery as was explained in the report, and Members were reminded that the Capital Plan List C already carries a potential scheme for evaluation entitled "Revenues and Benefits Citizen's Access" in this regard.
- 1.2.2 However, in terms of how relevant information is (or is planned to be) presented to the public via our website, the two authorities are at different points and as such there is a need to harmonise the approaches across the two sites.
- 1.2.3 Looking to the future, both authorities want to be able to offer more digital options to the public through the website including the opportunity for customers to complete their own template 'forms' for specific requests, applications or provision of information. Ultimately, as part of a full transformation process, in time, we would want to be able to deliver 'back office integration' maximising opportunities for efficiency. However this is a much later stage and would be subject to a separate evaluation in the future.
- 1.2.4 What is important to note is that many of these developments are strongly desirable irrespective of the implementation of a shared service. However, given that a shared service is to be implemented, it will be necessary to work with our partner GBC to ensure that IT and digital provision is harmonised. Having a shared IT manager with GBC is extremely helpful in this regard.
- 1.2.5 The IT and digital transformation plan can be split into phases. 3 phases need to take place prior to the shared service going live and there is a potential further phase, subject to separate future evaluation, which could occur at a later date.

Phase	Detail of project work required	Cost basis	Timescale
1.	<p>Shared back office platform (with the assistance of the supplier Northgate) to align TMBC and GBC databases and allow access to both by all staff through a 'Shared Service Layer'.</p> <p>This will require a one off revenue/capital cost to be shared by both authorities. Ultimately by doing this work for the operation of a fully shared service, there is the opportunity to deliver future revenue savings in respect of system costs. This has been the experience in other revenues and benefits shared services.</p>	Revenue or capital cost – shared with GBC	Work to commence once host site has been determined (report to go to GPC on 26 June to determine host site).
2.	<p>Improvements to the 'look and feel' of customers' own revenues and benefits information presented via the website.</p> <p>This work is required in any event to provide a better and more streamlined offer to customers, but with the implementation of the shared service this needs to be harmonised with that at GBC.</p> <p>At TMBC information is currently presented via the in-house developed 'My Account' solution. At GBC, this is via a third party supplier.</p>	<p>TMBC cost only.</p> <p>Could be capital and/or revenue</p>	<u>Latest</u> by July 2018, but earlier is strongly desirable.
3.	<p>E-forms package to give customers the opportunity to complete their own template 'forms' for specific requests, applications or provision of information.</p> <p>This is something that we would wish to purchase whether we implement a shared service or not, but given that we are entering into a shared service, purchase will be jointly with GBC.</p>	Capital and revenue costs to be shared with GBC	<u>Ideally</u> by July 2018.
4.	<p><i>Potential further phase: Full 'back-office integration'.</i></p> <p><i>Subject to more detailed evaluation in due course, this could potentially improve efficiency by reducing double handling of data.</i></p>	<p><i>Potential Capital and revenue costs. Joint.</i></p>	<i>If this were proven to be feasible, this would be a future development.</i>

- 1.2.6 In accordance with the Council's budget process, it is necessary to bring forward a 'fast-track' capital plan evaluation for approval to enable the work above to progress. This report sets out that evaluation for phases 1 and 2. The evaluation for phase 3 is still being undertaken and will be reported to Members of this Advisory Board as soon as it is available.
- 1.2.7 Members should note that funding for IT and digital transformation has been set aside in an earmarked reserve, so any decisions involving capital investment will not impact on the Council's capital allowance available for other capital projects. Any one-off revenue costs are also to be met from the earmarked reserve.

1.3 Evaluation

- 1.3.1 A capital plan evaluation template can be found at **[Annex 1]**.
- 1.3.2 Members will note that in respect of phase 2, an 'in house' option versus a 'third party supplier' option is being considered. Details of the functionality considerations that are being considered are attached at **[Annex 2]** for completeness.

1.4 Legal Implications

- 1.4.1 Any procurement of a digital IT solution will, of course, need to follow appropriate procurement requirements and legal colleagues are engaged in providing advice in this regard. If a full EU tendering process is required, the timescales for implementation will be more extensive.

1.5 Financial and Value for Money Considerations

- 1.5.1 The estimated capital and revenue costs to TMBC of implementing phases 1 and 2 in readiness for the 'live' Shared Service is set out at **[Annex 1]**. An in-house development in respect of phase 2 would be more cost effective, but the feasibility of this is presently being evaluated taking into account other IT priorities and pressures. **Therefore for this purpose it is recommended that the costs based on third party support for phase 2 are approved.** If in house development proves to be feasible, then this will mean that less funding needs to be provided and a saving can be achieved.
- 1.5.2 Funding is set aside in an earmarked reserve for this purpose and therefore will not impact on the Council's capital allowance available for other capital projects. One-off revenue costs are also being met from this earmarked reserve.
- 1.5.3 Ongoing revenue costs/savings will be factored into the overall Shared Service cost framework. Members are reminded that, as reported to Cabinet, we envisage that savings of circa £100k to £150k per annum are achievable after the initial 'bedding in' has taken place.

1.6 Risk Assessment

- 1.6.1 Delays in making decisions about IT solutions could mean that the implementation of the shared service does not happen in accordance with our anticipated timescales.

1.7 Equality Impact Assessment

- 1.7.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.8 Policy Considerations

1.8.1 Customer Contact

1.8.2 Procurement

1.9 Recommendations

1.9.1 Members are asked to **RECOMMEND** to Cabinet and then Full Council that:

- 1) The evaluation (assuming costs for a third party phase 2 option) set out at **[Annex 1]** be approved;
- 2) The Capital Plan and Revenue Budget be updated accordingly;
- 3) The capital and one-off revenue costs are met from the Transformation Reserve.

Background papers:

Nil

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