

CAPITAL PLAN LIST C – EVALUATIONS

Project		Revenues and Benefits Shared Service – IT and digital transformation	
1	Specification:		
	(i)	Purpose of the scheme	Preparation for Shared Service with GBC
	(ii)	Relevance to National / Council's Objectives	(a) National: Improving customer interaction and communication (b) Council: Achieving digital transformation
	(iii)	Targets for judging success	(a) Provision of a functioning digital system which all staff in shared service can readily access (b) Improvements to on-line presentation of revenue and benefits information, including forms, which taxpayers can access 24/7
2	Description of Project / Design Issues:		
	<p>There are 3 parts to the project which need to take place prior to the implementation of the Shared Service.</p> <p><u>Phase 1:</u> 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'. This will require a one off capital/revenue 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> <p><u>Phase 2:</u> Improvements to the 'look and feel' of customers' own revenues and benefits information presented via the website. 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 any work needs to be harmonised with that at GBC. At TMBC information is currently presented via the in-house developed 'My Account' solution. Options are to develop the current solution in-house with external support (revenue cost) in order to harmonise with GBC's presentation; or to procure a third party solution along the lines of GBC (would involve both capital and revenue costs).</p> <p><u>Phase 3:</u> E-forms package to give customers the opportunity to complete their own template 'forms' for specific requests, applications or provision of information (capital and revenue costs). THIS PHASE WILL BE EVALUATED SEPARATELY</p>		
3	Consultation:		
	Consultation has taken place with Management Team, GBC officers, the Cabinet Member for Finance, Innovation & Property and the Leader.		

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4	<p>Capital Cost:</p> <p><u>Phase 1</u> Potential purchase of a server and support from Northgate. Estimated cost: £10k Capital and £10k one-off revenue (to be shared with GBC, therefore TMBC cost is 50% of this).</p> <p><u>Phase 2</u> Final costs will depend upon which delivery option is the most practicable and achievable in the timescales required.</p> <p>a) A primarily 'In house' development with some external support will be more cost effective (estimated one-off revenue costs of circa £15k maximum with no capital outlay). This does not include the opportunity cost of in-house resources. Allowance for annual updates to website with external support – say £5k per annum</p> <p>b) Alternatively, the potential prices for a third party system (for e.g. as used by GBC) is likely to be : Set-up (capital) £60k; and annual revenue costs of £26k.</p> <p>Phase 3 – to be evaluated separately</p> <p><u>Overall cost 'options' to TMBC combining phases 1 and 2 are:</u></p> <table border="0" data-bbox="315 858 1547 1091"> <tr> <td></td> <td style="text-align: center;">Option 1</td> <td style="text-align: center;">Option 2</td> </tr> <tr> <td></td> <td style="text-align: center;">Phase 1 plus</td> <td style="text-align: center;">Phase 1 plus</td> </tr> <tr> <td></td> <td style="text-align: center;">'In-house' Phase 2</td> <td style="text-align: center;">'third party' Phase 2</td> </tr> <tr> <td></td> <td style="text-align: center;">£</td> <td style="text-align: center;">£</td> </tr> <tr> <td>Capital:</td> <td style="text-align: center;">5,000</td> <td style="text-align: center;">65,000</td> </tr> <tr> <td>One-off revenue costs:</td> <td style="text-align: center;">20,000</td> <td style="text-align: center;">5,000</td> </tr> <tr> <td>Ongoing revenue costs:</td> <td style="text-align: center;">5,000 per annum</td> <td style="text-align: center;">26,000 per annum</td> </tr> </table>							Option 1	Option 2		Phase 1 plus	Phase 1 plus		'In-house' Phase 2	'third party' Phase 2		£	£	Capital:	5,000	65,000	One-off revenue costs:	20,000	5,000	Ongoing revenue costs:	5,000 per annum	26,000 per annum
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5	<p>Profiling of Expenditure (Capital and One-off Revenue)</p>																										
	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)																					
	<p>£25k (option 1) Or £70k (option 2)</p>																										

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6	<p>Capital Renewals Impact:</p> <p>Server has an asset life of circa 5 years or annual renewal cost of £2k for which TMBC would be responsible for 50% (i.e £1k)</p>																		
7	<p>Revenue Impact:</p> <p>As identified in 4. above, annual revenue costs required to be built into base budget will be dependent on the options selected for phase 2 .</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%; text-align: center;">Option 1</th> <th style="width: 35%; text-align: center;">Option 2</th> </tr> <tr> <td></td> <th style="text-align: center;">Phase 1 plus 'In-house' Phase 2 £</th> <th style="text-align: center;">Phase 1 plus 'third party' Phase 2 £</th> </tr> </thead> <tbody> <tr> <td>Annual licence/ support costs</td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">26,000</td> </tr> <tr> <td>Capital renewals</td> <td style="text-align: right;">1,000</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>Loss of investment income (4%)</td> <td style="text-align: right;">1,000</td> <td style="text-align: right;">2,800</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">7,000</td> <td style="text-align: right;">29,800</td> </tr> </tbody> </table>		Option 1	Option 2		Phase 1 plus 'In-house' Phase 2 £	Phase 1 plus 'third party' Phase 2 £	Annual licence/ support costs	5,000	26,000	Capital renewals	1,000	1,000	Loss of investment income (4%)	1,000	2,800	Total	7,000	29,800
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8	<p>Partnership Funding:</p> <p>Phase 1 - costs to be shared with GBC Phase 2 – TMBC will need to fund independently</p>																		
9	<p>Post Implementation Review:</p> <p>12-18 months after implementation</p>																		

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10	Screening for equality impacts:		
	Question	Answer	Explanation of impacts
	a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	It will open up further access channels for resident to communicate with the Council
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	Yes	As above
	c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		N/A
11	<p>Recommendation:</p> <p>At this stage the feasibility of in-house development for phase 2 is being considered against other priorities. Therefore for this purpose it is recommended that the costs based on third party support for phase 2 are approved with funding for the capital and one-off revenue costs being met from the Transformation Reserve. If in house development proves to be feasible, then this will mean that less funding needs to be provided from the Transformation Reserve.</p> <p>Revenue costs will be offset against savings from the shared service.</p> <p>Recommendation is to:</p> <ul style="list-style-type: none"> • Approve and transfer to List A • Update Capital Plan and Revenue Budget be updated accordingly with the capital and one-off revenue costs met from the Transformation Reserve 		