

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

03 January 2018

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 REVENUE & BENEFITS SHARED SERVICE

A report advising Members that GBC has decided not to proceed with the Shared Service.

Members are asked to note however that the IT digital and transformation plan for the service will continue to be progressed as set out in the Capital plan.

1.1 Introduction

1.1.1 Members are aware that, in March 2017, it was agreed to proceed with a shared service for the Revenues and Benefits function with Gravesham Borough Council (GBC). Work has continued since March investigating IT digital solutions and preparing the way for the shared service with a target date of July 2018.

1.1.2 Regrettably, I have to advise Members that GBC has decided to pull out of progressing the shared service. The key reason GBC has given is that it is strategically reviewing the direction of its shared services. In addition, GBC has cited the complexities and interrelations with other council services; plus the complication of the roll-out of Universal Credit. This is naturally disappointing given the officer time that has been attributed to the project so far.

1.1.3 As Members will understand, one of the reasons we had decided to progress with a Shared Service was to deliver savings which could be achieved based on 'economies of scale'. We will now have to revise our position in terms of our overall savings strategy.

1.2 Way Forward

1.2.1 We have agreed with GBC that we will continue to share the two officers (Revenues & Benefits Manager and Principal Revenue Officer) through secondment agreements as is our current practice. Jointly we had commenced process mapping of the various aspects of the function and we intend to continue this work in order to identify efficiencies in our respective processes.

- 1.2.2 Furthermore, we will continue to progress the delivery of IT digital solutions alongside GBC in order to secure competitive pricing. Members may recall from my report to this Advisory Board in June that I advised that we 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.

1.3 IT and digital transformation plan

- 1.3.1 My report in June identified a phased approach to the delivery of the IT and digital transformation plan. It will no longer be necessary to provide financial outlay for the 'Shared Service Layer' which was phase 1 of the original plan. However, other phases can proceed despite the cessation of the Shared Service plan; and indeed it will be essential to do so in order to deliver to the customer the 24/7 digital service that is now almost expected.
- 1.3.2 At the June meeting, Members considered a capital plan evaluation covering phases 1 and 2 of the digital and transformation plan; and funding was subsequently approved at Full Council in July.
- 1.3.3 Further work in evaluating systems has found that it will be possible to procure a product that will enable us to fulfil phases 2, 3 and ultimately 4 of the original plan broadly within the capital costs identified for the original evaluation (of phases 1 and 2 only). The original scheme previously approved by Members has, therefore, been updated to reflect the latest information and is incorporated within the Capital plan report elsewhere on this agenda.
- 1.3.4 As the product will deliver all of the phases we had previously mapped out, the revenues costs are, not surprisingly, anticipated to be higher than the original evaluation. The product will enable a digital service to be provided to the customer together with full back office integration, and as a result we anticipate that revenue savings will be achieved within the Revenue and Benefits Service. In other words, revenue costs will be met in full by future savings and there will be no 'net' growth to the budget in future years.

1.4 Legal Implications

- 1.4.1 None. IT procurement will be undertaken in accordance with appropriate procurement requirements.

1.5 Financial and Value for Money Considerations

- 1.5.1 We had envisaged that savings of circa £100k to £150k per annum were achievable from a Shared Service after the initial 'bedding in' had taken place. Prudently, we had not factored into our medium term plans these potential savings until such time as an agreement had been signed and there was greater certainty.

1.5.2 Through digital transformation, we do expect to realise savings in the medium term but clearly not on the scale previously envisaged. Nevertheless as set out in paragraph 1.3.4, we are confident that revenue costs associated with the software will be met by savings within the Service.

1.6 Risk Assessment

1.6.1 The Council will now need to look for other corporate opportunities to deliver savings given the collapse of this potential Shared Service.

1.6.2 One desired outcome of the Shared Service was the improvement of resilience. This is something that needs further consideration over the coming months.

1.7 Policy Considerations

1.7.1 Business Continuity/Resilience

1.7.2 Customer Contact

1.8 Recommendations

1.8.1 Members are asked to **NOTE** that:

- 1) at GBC's behest, the intended Shared Service for Revenue & Benefits will not be progressed;
- 2) existing secondment agreements for the Revenue & Benefits Manager and Principal Revenues Officer will continue as is the current practice;
- 3) the planned IT and digital transformation initiatives in respect of this service will continue to be progressed; and
- 4) the Capital plan has been updated accordingly.

The Director of Finance & Transformation confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

contact: Sharon Shelton

Nil

Sharon Shelton
Director of Finance & Transformation