

STEVENAGE BOROUGH COUNCIL AND EAST HERTS COUNCIL

EAST HERTS COUNCIL AND STEVENAGE BOROUGH COUNCIL JOINT
REVENUES AND BENEFITS COMMITTEE - 19 OCTOBER 2011

REPORT BY HEAD OF REVENUES AND BENEFITS SHARED SERVICE

6. SHARED SERVICE IMPLEMENTATION

WARD(S) AFFECTED: All.

Purpose/Summary of Report

- To advise Members of the progress and future plans for the implementation of the Revenues and Benefits shared service and associated risks.

RECOMMENDATION FOR DECISION: that

(A)	The arrangements and timescales for implementing the Revenues and Benefits shared service be noted.
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1.0 Background

1.1 At the meetings of the Stevenage Borough Council (SBC) and East Herts Council (EHC) Executives on 14th June and 15th June 2011 respectively, decisions were taken to create a single, shared Revenues and Benefits Service for the two Councils.

1.2 During the subsequent months, a project team, including officers from both councils has worked to complete tasks and phases set out in a single overall project plan. A high level plan is shown at Essential Reference Paper B. The most important milestone in this project is having the new single service in a state of readiness to 'go-live'.

2.0 Report

2.1 A project board, chaired by the SBC Strategic Director Resources and the EHC Director of Internal Services, meets each week to oversee the delivery of key phases in the plan. A summary of progress in these key phases is given below.

2.2 Key phase – Change Management

- 2.2.1 This phase incorporates all issues, statutory and policy obligations relating to the staff employed on the Revenues and Benefits offices of both councils.
- 2.2.2 A transfer of all SBC Revenues and Benefits staff to EHC was affected on the first of August 2011. Those staff, together with existing EHC Revenues and Benefits staff will be treated equally through a recruitment and selection process which will appoint to the new single service staff structure based in EHC Wallfields offices in Hertford. This phase is due to complete by the end of October 2011. Meantime, former SBC staff continue to work in Daneshill House under the management of the shared Head of Revenues and Benefits Services.
- 2.2.3 Current indications are that compulsory redundancies are unlikely. A small number of staff have outstanding personal issues regarding the transfer which are being addressed by Human Resources officers.

2.3 Key phase – Technology

- 2.3.1 This phase includes all matters relating to IT, telephony and staff homeworking.
- 2.3.2 Although both councils have the same core business system for Revenues and Benefits, those systems are run in different operating environments, have different types and numbers of modules, dissimilar interfaces and are linked to two different document management systems. The complex job of harmonising the technology is being managed by a full time external consultant, whose costs are being met from external funding secured by the council last year.
- 2.3.3 The technology implementation plan is currently on target, with no slippage. Key risks have been identified and a contingency plan approved by the project board.

2.4 Key phase – Business processes

- 2.4.1 Revenues and Benefits is a statutory service based on legislation and central government guidance, which allows little scope for local discretion. Underpinning the administration of that legislation are hundreds of business processes and procedures, which have been

developed differently within the corporate administrative arrangements in each council. So, whilst both Revenues and Benefits services have procedures for example to refund overpaid council tax, to set up a direct debit and to print letters, those processes will need to be standardised if efficiencies are to be found.

- 2.4.2 With around 950 separate processes in operation, the task of harmonising them into one standard set will take several months. The approach being taken is to prioritise processes so that the harmonisation is focused on those processes which help support the new staff structure and the roll out of the single IT solution.

2.5 **Key phase – Governance**

- 2.5.1 There are three elements which make up the governance arrangements for the shared service. First the joint committee, the terms of reference for which are considered elsewhere on the agenda of today's meeting.

- 2.5.2 Secondly, a joint management board, terms of reference and membership will be agreed before its first meeting which is scheduled to follow 'go-live' in December 2011. 'Thirdly, a formal partnership agreement was approved by the councils' solicitors and signed by the Chief Financial officers on 1st August 2011.

2.6 **Key phase – Finance**

- 2.6.1 A shared service budget management arrangement has been established for the interim period leading up to 'go-live' in December 2011. This interim arrangement addresses the operational needs around staff temporarily remaining in Daneshill House whilst recruitment and selection takes place and the single IT solution is rolled out.

- 2.6.2 Further interim budget management arrangements will be put in place for the period from 'go-live' to the end of the current financial year. These will reflect the fact that Revenues and Benefits staff will have vacated Daneshill House and the shared service will be operated entirely from Hertford.

- 2.6.3 With effect from April 2012, a standard agreed budget management protocol will take effect and run on for each year thereafter for the life of the shared service. Proposals for the first full year budget will be based on the shared budget shown in the Business Case

document, adjusted by indexation set out in the 'Shared Services Partnership' agreement.

2.6.4 The agreement also details how the shared service costs and savings will be identified and split between the councils.

2.7 'Go-Live'

'2.7.1 Go-live' is characterised by having the following key service features in place:

- All posts filled in the new staff structure.
- Homeworking rolled out for all appropriate staff
- A single IT solution tested and operational
- Seamless telephony for staff and customers
- Critical business processes standardised

2.7.2 A date for 'go-live' has been set as the 5th December 2011. This date was fixed, because the operational demands on the service increase significantly from then, through to the end of the financial year. Those demands arise from the annual uprating of benefits, annual billing process, year end, subsidy claim etc.

2.7.3 When the Revenues and Benefits Service is operating with staff in a stable environment, the extra demands at this time of year are normally manageable. However, if the implementation project experiences slippage beyond 5th December 2011, then risks arise around final completion of implementation, the quality and timely completion of year end and subsidy tasks, and overall operational performance. There are currently no additional resources available to address those risks should they materialise.

2.8 Risks

2.8.1 There are several risks with the implementation plan, associated with the key phases of Change Management, Technology and Business Processes. This is complicated by strong dependencies between the Change Management, Technology and Business Process phases. Three example scenarios are described below.

2.8.2 If the appointment process is delayed by staff appeals or resignations, this will impact on staff availability to test the new IT solution and create a shortage of staff knowledge needed for business process redesign.

- 2.8.3 If the IT implementation is delayed by availability of externally provided goods and services this would delay the roll out of homeworking and the testing of new business processes which are IT reliant.
- 2.8.4 If the amount of time needed to standardise business processes is underestimated this may result in additional costs to back fill more staff whilst they work on process re-design or may delay the date of 'go-live'
- 2.8.5 The impact of those risks fall largely into two categories. Slippage resulting in delay in reaching 'go-live' and financial, resulting in potential erosion of the predicted savings.
- 2.8.6 Responsibility for monitoring those risks and developing mitigation has been assigned to individual members of the implementation project team. The status of those risks is reported at weekly project management boards meetings, chaired by the SBC Strategic Director Resources and the EHC Director of Internal Services.

2.9 **Beyond 'Go-live'**

- 2.9.1 It is likely that there will be a number of post 'go-live' issues, given the complexity of the new IT arrangements and the scale of the business process harmonisation. These will continue to be managed using project management principles, in the short term, with progress and issues being reported to the joint management board. In due course, responsibilities for residual issues will be absorbed by the shared service managers.
- 2.9.2 As excellent customer service is at the core of the Revenues and Benefits Service, a walk-in customer interface will be maintained at Bishop's Stortford, Hertford and at the Stevenage Customer Service Centre (CSC). There may be scope to develop the role of the CSC in handling Revenues and Benefits customer telephone calls in the future and this will be subject to review within the first year of operation.
- 2.9.3 Meantime, the shared Head of Revenues and Benefits Services will focus on continuing to deliver savings, strengthening resilience and improving performance.

3.0 Implications/Consultations

- 3.1 None.

- 3.2 Information on any corporate issues and consultation associated with this report can be found within Essential Reference Paper 'A'.
- 3.3 Essential Reference Paper 'B' high level implementation plan.

Background Papers

None.

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ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	Promoting prosperity and well-being; providing access and opportunities <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i> Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	None
Legal:	None
Financial:	As specified in Business Case
Human Resource:	None
Risk Management:	As detailed above.