

ESSENTIAL REFERENCE PAPER 'C9'

Executive Summary

Background

The “Changing the Way We Work” (C3W) programme aims to fundamentally change the way services are delivered in EHDC and to improve efficiencies throughout the Authority. The initial phase of the programme focuses on the delivery of the Revenues and Benefits service.

East Herts Council have a relationship with Capita who supply the Capita Revenues and Benefits solution which is used by East Herts. The Programme Director, Philip Hamberger and Head of Revenues and Benefits Su Tarran, have been working with Capita to see how the service processes can be improved.

A series of meetings and workshops has analysed current working practices and produced a proposal which details the possible business case associated with the introduction of additional software solutions.

The proposed solution

Following the sessions and workshops a business case has been produced. This details the cashable benefits possible by the introduction of additional software solutions and shows the potential return on investment. The solution proposed includes the following modules:

- e-Citizen+
- Self Service
- e-Billing
- e-Notifications
- BECS (eClaim)
- Mobile
- Web services for benefits integration
- e-Schedules
- EDO Email
- e-Payment files
- Fraud+
- Quality Assurance
- Process and Performance Manager
- Valuation Office Agency

To provide rapid implementation and to maximise how quickly the return on investment can be gained, East Herts are recommending that the implementation of these modules will be delivered through Capita's enhanced service delivery model. This approach greatly reduces the resource required from East Herts

Summary Findings

The analysis of the business cases included within the main proposal concludes that the Council could achieve a cashable saving of £522,764 over a period of five years with a return on investment in month 23.

The accumulation of all of the business cases within this proposal produces the savings per annum as detailed in Table 1 below.

Table 1

	Year 1	Year 2	Year 3	Year 4	Year 5
Self Service Council Tax & Business Rates	£11,351	£11,351	£17,027	£17,027	£22,703
Self Service Benefits	£7,252	£7,252	£10,878	£10,878	£14,504
Self Service Landlord Access	£3,570	£3,570	£4,165	£4,165	£4,165
eNotifications and eBilling - claimants	£3,209	£4,628	£5,785	£6,173	£6,271
eNotifications - Landlords	£2,337	£2,694	£2,886	£2,999	£2,996
eBilling (non Benefit claimants)	£7,731	£12,821	£17,949	£23,123	£28,385
eBilling Business Rates	£172	£344	£516	£687	£859
Self Service Change of Address	£13,354	£13,354	£13,354	£13,354	£13,354
Mobile	£70,647	£70,647	£70,647	£70,647	£70,647
Rent Liability Interface	£4,199	£4,199	£4,199	£4,199	£4,199
BECS eClaim	£17,217	£25,825	£34,434	£43,042	£51,651
Electronic Landlord Schedules	£2,646	£2,646	£2,646	£2,646	£2,646
Quality Assurance	£4,885	£4,885	£4,885	£4,885	£4,885
Electronic Payment files	£2,500	£2,500	£2,500	£2,500	£2,500
Total Savings	£151,069	£166,716	£191,871	£206,326	£229,765

The cost of implementing the solution and annual maintenance delivers a saving of between £151,069 and £229,765 per annum over a five year period.

Setup Charge	£222,784				
Annual Maintenance	£40,040	£40,040	£40,040	£40,040	£40,040
Total fixed cost	£262,824	£40,040	£40,040	£40,040	£40,040

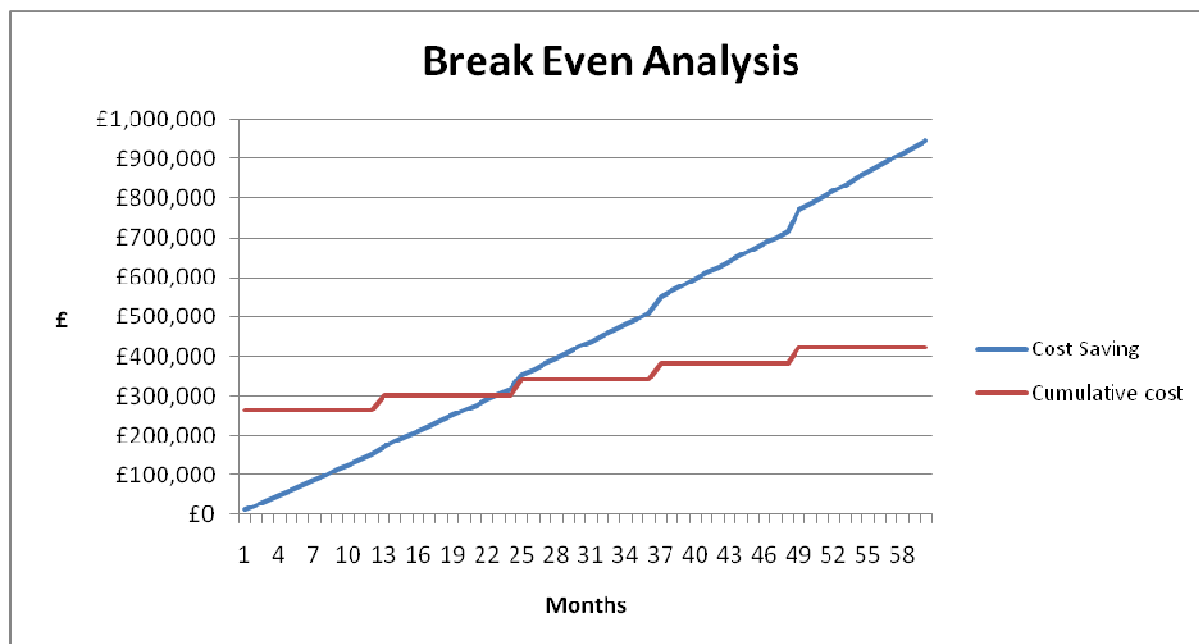
Total Savings	-£111,755	£126,676	£151,831	£166,286	£189,725
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Months before break even	23
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The cumulative cashable saving over five years is £522,764.

Cumulative Cost Saving	£151,069	£317,785	£509,656	£715,982	£945,748
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Cumulative Solution Cost	£262,824	£302,864	£342,904	£382,944	£422,984
Total Cumulative Saving	-£111,755	£14,921	£166,752	£333,038	£522,764



Partnership

East Herts and Capita have agreed a risk and reward model in order to promote closer working and achieve return on investment as quickly as possible. It is proposed that in this model £52,159 will be put on risk and reward.

This means that the Councils one time cost will be £222,784 (with £52,159 of this figure placed on risk and reward).

The final risk and reward key performance indicators associated with the payment of the risk and reward profile are still to be agreed. An example of this profile has been included below.

- Customer to pay £9,150 on conversion of 15% of Council Tax bills to electronic billing
- Customer to pay £20,009 on conversion of 75% of Landlord Schedules to electronic media
- Customer to pay £25,500 when 30% of new benefit claims are made electronically

The impact this has on return on investment can be seen below:

Setup Charge	£170,625				
Annual Maintenance	£40,040	£40,040	£40,040	£40,040	£40,040

Total fixed cost	£210,665	£40,040	£40,040	£40,040	£40,040
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Total Savings	-£59,596	£126,676	£151,831	£166,286	£189,725
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Months before break even	19
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Cumulative Cost Saving	£151,069	£317,785	£509,656	£715,982	£945,748
Cumulative Solution Cost	£210,665	£250,705	£290,745	£330,785	£370,825
Total Cumulative Saving	-£59,596	£67,080	£218,911	£385,197	£574,923