

<b>Committee:</b>	<b>Date:</b>
Finance Committee	27 <sup>th</sup> March 2014
<b>Subject:</b>	<b>Public</b>
Revenues Collection Insourcing Update	
<b>Report of:</b>	<b>For Information</b>
Chamberlain	

### **Summary**

Following the decision of this Committee in May 2013, approving a strategy to return the Revenues Collection service to an in-house service, this report provides members with an update on the programme of work being undertaken to complete this.

The report includes updates on the proposed organisational structure that will be adopted (when the staff of 30 full time equivalents from the current service provider (Liberata), join the current City Corporation staff to create a single team), the progress made to date on the IT solution and the proposed accommodation approach.

As referred to in the May report to this Committee, there will be a cost to transition the current applications (notably Capita and Northgate) to a new provider and an ongoing cost to host and support these applications.

The May report provided an estimated transition cost of £460,000, subject to detailed planning. The final costs to migrate the technology to a new provider, the ongoing support costs and accommodation costs have yet to be agreed.

The estimated transition costs did not include the cost of office works required to accommodate the additional personnel expected to join from Liberata and so it might be difficult to contain the overall costs. Nevertheless this will not be a material difference and it will still be the case that these costs will be more than offset by the service provider costs and bonuses avoided following the end of the contract with Liberata.

### **Recommendation**

Members are asked to:

- Note the overall progress of the project and the key risks identified; and
- Note that the one-off cost to transition the service will now need to cover accommodation works

## **Main Report**

### **Background**

1. In May 2013, this committee approved the strategy for the future provision of the Business Rates and Council Tax collection service to be returned to an in-house service. And to allow detailed transition plans to

be developed and discussions about effective management of the end of the contract to commence with the current provider Liberata (the current contract with Liberata, expires on October 4<sup>th</sup>, 2014).

2. A report to Establishment Committee in July set out the approach and potential staffing impacts of the decision of the Finance Committee to internalise the service.
3. The November Establishment Committee provided approval to commence professional consultation based on a draft structure presented in the report.
4. The results of professional consultation were reported to February Establishment Committee where approval was given to move to personal consultation.

### **Current Position**

5. The overall programme is constrained by the end date of the current contract with Liberata (October 4<sup>th</sup>, 2014) which cannot be extended. The insourcing programme started in September 2013 and is being delivered as a number of interdependent projects.

6. *IS – Output: the migration, provisioning and hosting of the Business Rates (Capita) and Document Management (Northgate) Systems*

Work is ongoing with Agilisys to finalise the requirements and complete detailed planning. This will provide an accurate assessment of the costs and timeline. (NB the Agilisys contract will need to be varied to accommodate this additional scope of work)

7. *HR – Output: the design and implementation of a new structure required to deliver an in-house revenues collection service.*

Following professional consultation, where both City of London and Liberata staff were invited to comment on a proposed future structure, a revised future structure (based on the feedback received) was presented to Establishment Committee in February 2014.

Following the approval of the structure by Establishment Committee, the Job Descriptions and Person Specifications for the new roles are being written to allow the Job Evaluation team to grade the posts.

Once the posts have been graded a job matching exercise will be undertaken to determine which individuals currently perform the same or similar roles or where an assessment or interview process might be required.

8. *Accommodation – Output: provide office accommodation for the combined Revenues Collection team.*

An additional 30 staff will join the City of London revenues team from Liberata. The combined team will all be located at Walbrook Wharf. Small scale accommodation works will be required to prepare the office space ie removal of walls/partitions, adding or upgrading data/telephone points.

9. *Processes – Output: review and update of processes to reflect one combined team, as opposed to the current client/service provider processes.*

An inventory has been created of all work under the scope of the Revenues Collection service. This will be assessed to determine which processes will need to change in the future state.

10. *Exit Management – Output: details of the information and support required from Liberata.*

Our IS team are working closely with Liberata to specify what information we will require from them, in what format and at what date to support a smooth transition to a new provider.

11. *Business as Usual – Output: Processes are in place to assure the current level of service does not decrease during the programme.*

To date there have been no indications of a reduced level of commitment from Liberata to the standards they currently maintain.

12. Good progress has been made against the programme calendar (included as Appendix A) and key risks have been identified and mitigated (see below).

### **Key Risks**

13. There are two key risks to highlight.

- i. *IS Timeline:* We are working with Agilisys to finalise requirements and complete detailed planning. Until this work is complete we cannot be certain the service termination date of 4<sup>th</sup> October can be met.

To mitigate the risk we have confirmed that the current service provider could continue to host the required applications after the service termination date.

- ii. *Displacement of staff:* We are currently undertaking a job evaluation exercise for the posts in the proposed structure to determine the appropriate grading of roles. There is a risk that when we compare the grades of available roles to the mix of grades/pay within the current teams that some individuals could be at risk of redundancy.

Following job evaluation and reconciliation with the incoming staff, we will consider all options to minimize the degree of risk, for example specific responsibilities could be moved between roles to lower or increase the grade to better match the existing workforce.

### **Key Milestones for the next 3 months**

14. Key milestones for the next three months are:

- i. Completion of job descriptions and the job evaluation process;
- ii. Concluding the provision of the IS systems and any relevant procurement required;
- iii. Job matching to enable the personal consultations to commence; and
- iv. Business as usual – preparing and issuing the 2014/15 Rates bills and Council Tax bills

## **Conclusion**

15. The insourcing of the Revenues Collection service from Liberata is on track to be completed before the service termination date of 4<sup>th</sup> October 2014.
16. The final costs for transition of the technology and ongoing hosting and support is being calculated in conjunction with our IS provider, Agilisys. And the cost of accommodation works is being provided by the City Surveyors department.
17. These costs and the additional payroll costs are expected to be offset over time by the fees and bonuses no longer payable to Liberata.
18. The main risks to the programme are to the overall timeline caused by the IS solution and potential redundancy risks as a result of a different mix of grades in the new structure compared to the current grades and pay of staff providing the service. These are being monitored and mitigated where possible.

## **Background Papers:**

Future of Collection Service for Business Rates and Council Tax - (Finance Committee 21/05/13)

Revenue Collection Group Structure Changes (Establishment Committee – 25/07/13)

Insourcing of Revenues Service – Structure (Establishment Committee - 28/11/2013)

Insourcing of Revenues Service – Structure Update (Establishment Committee - 27/02/2014)

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