

**To:** Leadership Board

**On:** 29 March 2016

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**Report by:** Chief Executive

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**Heading:** Better Council Change Programme

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**1. Summary**

- 1.1 This report seeks to provide an update to the Board with regards the position of projects within the Better Council Change Programme, particularly the Phase 2 projects to implement a new Enterprise Resource Planning (ERP) system and a new Customer Portal.
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**2. Recommendations**

- 2.1 Note the progress with regards the Customer Portal and Council Website implementation as outlined at sections 3 and 4 in the report.
- 2.2 Note the progress with regards the implementation of an ERP system.
- 2.3 Agree, within the parameters of the financial resources that have currently been approved by the Council, to the re-shaping of the funding available to support the delivery of the ERP project as outlined in section 5.7.
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### 3. **Customer Portal**

3.1 A significant component of the BCCP is the development and implementation of an on line Customer portal. The portal facility will maintain and enhance the delivery of services provided to customers through the introduction of transactional online customer access channels. This will be focused primarily upon those services which create high volume customer contact, in order to maximise the benefits to the public whilst supporting the delivery of future efficiency savings. As reported and approved by the Leadership Board in September 2015, it was recognised that the implementation of a full customer portal solution that supports self service and automation of processes was a pre-requisite to open up the potential to secure substantial process efficiencies and associated savings whilst improving the service to customers.

3.2 The procurement of a customer portal solution was progressed in the autumn with the supplier appointed at the start of November 2015. Following this, a rapid deployment of the solution has been effectively managed resulting in the launch, to the public, of the My Account customer portal on 10<sup>th</sup> March. Board members will note that as referenced in the update to the Board in September 2015, in order to access the portal features customers are required to create a secure account using the mygovscot 'myaccount' service provided by the Scottish Government. This provides a free secure service to authenticate customers, an essential component of delivering secure online services.

3.3 The main focus of the first phase of the project has been the Council Tax service with the annual council tax billing exercise utilised as a means of communicating benefits of the new service to customers. Council Tax customers now have the choice to transact digitally with the Council as they are now able to link to their council tax accounts in order to view account balances and information. There are also a number of online forms related to the council tax service as noted below:

- apply for a discount or exemption
- change of address
- request a direct debit mandate be set up

3.4 The launch of this service is a significant step for the Council as it means that the Council now has the capability to provide a wider range of digital services, delivering 21<sup>st</sup> century services for Renfrewshire's

citizens. Over the coming months customers will be encouraged to sign up for the new My Account service as a way of saving them time while reducing contact costs for Council. Plans are in place to track customer uptake of the new service, measure the impact and realise the benefits of the online customer portal.

- 3.5 The project has now transitioned successfully from the initial implementation and go-live phase and over the next year will focus on providing further online services to customers. The immediate priorities for extending the scope of service provision will include benefits, housing rents and housing repairs with future phases expected to implement digital solutions for environmental reports and services such as reporting missed bins.

#### **4. Council Website**

- 4.1 The Board will also wish to note that Thursday the 10th March 2016 also saw the go live of the Council's new website on a live test basis. This phase, known as beta testing provides customers with access to a test site linked to the existing main site which offers customers an opportunity to provide the Council with valuable feedback while the site is still undergoing final development in advance of full go live.

- 4.2 Similar to the customer portal, a rapid deployment of the solution has been undertaken since October 2015 aimed at redesigning the structure and content of the Council's website to make it more appealing to customers wishing to use web services as a means of interacting with the council. It is anticipated that the 31st March 2016 will see the Beta site replacing the current site entirely. During the live test phase content will continue to be added to the site and adjustments made based on customer feedback in relation to accessibility of information on the website and the content available.

#### **5. Enterprise Resource Planning (ERP)**

- 5.1 The need to replace the Council's current disparate ICT systems in relation to finance, HR, payroll and procurement has previously been agreed by the Board with a view to automating and streamlining many administrative processes resulting in more timely and accurate management information and providing the foundation to deliver future cost savings as part of the Council's corporate support model arrangements.

- 5.2 A business case based on soft market testing was presented previously to the Board for approval. The business case identified that there are significant costs associated with the current finance, procurement and

HR/payroll processes; and that the replacement of the current systems with an integrated ERP system could generate efficiencies in excess of £2m per annum over a 3-5 year period, with one-off implementation costs being in the order of £4m.

5.3 Since the approval to proceed to procure an ERP system was granted in September 2015, an intensive period of specification development followed by an open tender process was undertaken. The cut-off for tenders to be received was 6 January 2016 and in the intervening period a further intense period of evaluation involving officers from a wide range of council services has been ongoing.

5.4 The specification for the system is based on a “Software as a Service” model in line with the Council’s agreed ICT strategy. As confirmed by suppliers who submitted tenders for the project, this approach will support the targeted implementation period of 12-16 months, as previously detailed to the Board. It is however recognised that a project on this scale remains highly complex, and risks in implementing a system of this scale will require careful and appropriate monitoring and management by both the Council and the chosen supplier; with robust project governance and controls being established to support the project delivery.

5.5 A critical element in the success of the project will be the availability of in-house expertise and capacity which compliments that of the supplier, and allows the supplier to work efficiently in terms of:-

- Configuring the system to meet the Council’s requirements - an underlying design principle of the project is to support the delivery of the product offered by the supplier with appropriate configuration to meet the Council’s needs and which is likely to require the Council to adapt to the best practice processes built in to the system and by necessity not involve heavy customisation of the product;
- Ensuring the Council’s data is in the best possible condition to migrate to the new system, and
- Allowing for robust testing and adequate training of all system users. The specification development, procurement and evaluation process has provided an excellent opportunity for the Council to test this capacity.

5.6 The open tender process has allowed the business case to be updated based on the most economically advantageous tender return received

through the procurement process. The revised business case, confirms that significant savings can be achieved from more efficient processes that will be supported by the new system.

5.7 At the same time, and through detailed evaluation of tenders received, the costs to deliver the project over the full system lifetime have been re-assessed and updated. It is now clarified that based on the Council's requirements, and in order to secure an appropriate degree of project confidence to manage the risks associated with the implementation phase, additional up-front resource is required to deliver the project. The revised business case suggests that a prudent cost estimate which incorporates both supplier costs and in-house team costs would be £5m as opposed to the upper estimate of £4m previously detailed in the outline business case. However, at the same time, it has been confirmed that the ongoing annual costs of providing and maintaining the system will be materially lower than that assumed in the outline business case. Taking account of the revised total cost of the solution over the business case lifespan, the overall business case remains strong. The payback of the up-front implementation costs rises slightly from just under 4 years to marginally in excess of 4 years; with efficiencies in excess of £2m per annum still being assessed as deliverable within the 3-5 year period previously advised and which will form a key part of delivering savings to support future budgets of the Council over the medium term. In this context, it is proposed to re-shape the availability of funding to support the delivery of project from the existing approved capital and revenue resources. This will be achieved through redirecting the revenue resources that will be released through lower revenue costs to support prudential borrowing to boost the funding available to meet the re-sized up-front delivery costs.

5.8 Subject to approval to re-shape the project funding from within approved resources, it is intended that a supplier is appointed by early April with implementation commencing immediately, with the initial phases of work focusing on data cleansing and readiness for the new system. The initial stages of this activity are underway with the in-house team also being identified and released for the implementation period. Significant effort will also be required to communicate the changes – both process and cultural - the new system will enable and again this work has already commenced. Progress with regards the implementation will be managed by the project board and reported regularly to the Better Council Programme Board over the course of the project.

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## Implications of the Report

1. **Financial** – as outlined in the report. Both the ERP system and customer portal are important in terms of delivering efficient and effective corporate support services and are key in delivering a sustainable financial future.
2. **HR & Organisational Development** – the new ERP system will enable significant cultural and organisational change and development as outlined in the OD strategy.
3. **Community Planning** – the Better Council Change Programme is a key element of the revised Council Plan 2016-2017, and the projects outlined will support the Council's vision of being a
4. **Legal** – *n/a*
5. **Property/Assets** – *n/a*
6. **Information Technology** – both projects outlined have an impact on the current operational delivery of ICT and the service has been fully involved in planning and delivering the new systems.
7. **Equality & Human Rights**
  - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – *n/a*
9. **Procurement** – both systems have been procured in accordance with the relevant EU legislation and contract standing orders.

10. **Risk** – there are risks to the organisation in replacing core ICT systems with an ERP solution which will be managed through good project management and robust project governance.
11. **Privacy Impact** – *n/a*

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