



Policy and Resources Committee 6 November 2017

Capital Programme 2017-18 - Request to transfer EDRMS funding from the Development Pool to the Approved Capital Programme and capitalise some revenue funding.

Purpose of report

To ask Members to approve a request to move the Electronic Documents Record Management System (EDRMS) funding from the development pool to the capital programme, and to note the intention to utilise some revenue funding for a capital investment and increase the capital provision.

1.0 Background

- 1.1 Over the last few months we have been exploring the options to share a Revenues and Benefits service with the Borough Council of Wellingborough (BCW). Through this process the savings that could be realised as part of a shared service have been investigated. A business case was developed which recommended the consideration of two options:-
- a. To develop a full shared revenues and benefits service with BCW
 - b. To introduce a shared ICT system, a shared EDRMS system and align working practices.
- 1.2 The business case identified that significant savings could be made by jointly procuring a revenues and benefits ICT system and EDRMS. On this basis option b above was identified as the most beneficial in terms of savings and efficiencies. There may be further savings available from moving to a full shared service, so that will be revisited as a subsequent phase of the project once the EDRMS installation is on its way to being completed.

2.0 Financing of the ICT system and EDRMS

- 2.1 The costs of the new system and EDRMS are broken down below:-

New system and EDRMS implementation	£117,000
Project Management Support for Implementation	£ 80,000
Back scanning of current records	£ 75,000

Total cost **£272,500**

This cost will be shared with BCW, so the cost to ENC is £136,250

Please note that the back-scanning element cannot be capitalised and must therefore be funded from revenue.

- 2.2 Within the development pool £30,000 was identified for an EDRMS system, which can be utilised towards this cost. In addition, the council has received £68,750 through a series of new and existing burdens funding received this year or carried forward from last year from Government relating to changes in benefits processes. It is proposed that we capitalise £68,750 of this revenue funding to meet the full capital costs. It is therefore proposed that the capital programme provision is increased by £69,000 to £99,000 to enable the project to be completed

- 2.3 A further £37,500 of revenue budget from within Revs and Bens service area will be used to meet the backscanning (revenue) costs.
- 2.4 The revenue savings that will be realised as a result of this investment for both ENC and BCW are shown in the table below:

	2018/19	2019/20	2020/21	2021/22	2022/23	Total over 5 years
Current Expenditure on ICT system	132,830	136,151	139,555	143,043	146,619	698,198
With investment:						
New ICT System and EDRMS	75,000	76,875	78,797	80,767	82,786	394,225
Savings	57,830	59,276	60,758	62,277	63,833	303,973

On this basis the initial investment of £272.5k would be paid off in 4.5 years, with an annual return on investment estimated at 43%. However, as a result of the introduction of EDRMS we expect that through the efficiencies created there could be further savings to be realised through reduced staffing, estimated to be £150K over the five years again, for both ENC and BCW. This would mean the initial investment would have been paid back within 3 years.

3.0 Equality and Diversity Implications

- 3.1 There are no equality and diversity implications arising from this report.

4.0 Legal Implications

- 4.1 There are no legal implications arising directly from this report.

5.0 Risk Management

- 5.1 There will be some risks as part of this project. These will be identified and managed through the project framework. However, the initial risks relate to the prices obtained from suppliers not being honoured after the 30 day quote period, although this is a relatively low risk. There is a risk that if BCW is unable to support the project it would be unable to go ahead on the basis identified within this report; this is again a low risk. Finally, there is a risk that the in year revenue savings that are planned to the back-scanning costs may be required to cover other pressures within the Housing Benefits budget. It is thought that the estimated costs can be reduced and if necessary any residual cost can be dealt with via anticipated corporate underspend.

6.0 Resource and Financial Implications

- 6.1 The financial implications are identified within the report. There will be additional staffing implications in terms of resources needed to help implement the new system and this will be identified and addressed through the project management framework process. The biggest impact will be within the Revenues and Benefits service and the Business Transformation team; however, it is not anticipated that we will have to employ additional staff.

7.0 Constitutional implications

- 7.1 There are no constitutional implications arising directly from this report.

8.0 Implications for our Customers

- 8.1 The new system, particularly EDRMS, will have a positive impact on our customers as efficiencies within our Revenues and Benefits processes as a result of the new systems will ensure faster response times and processing performance.

9.0 Corporate Outcomes

9.1 The investment will contribute to the achievement of the following corporate outcomes:

- **Good Value for Money:** By delivering cost savings
- **High Quality Service Delivery:** Through ensuring our systems are as efficient and effective as they can be to enable us to offer the best possible service to our customers.
- **Effective Partnership Working:** Through working with BCW, savings and efficiencies can be realised that will result in improvements for our customers.

10.0 Recommendation

10.1 The Committee is recommended to:

a. Approve the £30,000 EDRMS funding to be moved from the development pool to the capital programme

b. Resolve to recommend to Council:

- To increase the Approved Capital Programme budget to £99,000 to implement the new ICT and EDRMS system
- To move £69,000 from the Housing Benefit revenue budget to the capital programme as set out at paragraph 2.2.

(Reason: To ensure a cost effective and efficient Revenues and Benefits service)

Legal	Power: N/A				
	Other considerations: N/A				
Background Papers: None					
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Date: 19 October 2017					
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