



Transformation Programme

Corporate Support Services Review – Non- IMT

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Future Delivery Options for Non-IMT
Services

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Agenda Item 7

New Delivery Models

- Delivery models and scope last looked at in 2012
- Market has changed overall
- Government issued Advice
 - Outsourcing
 - Gives management space to focus on core priorities
 - Benefits of operating at scale and innovation
 - In-house
 - Agility and control
 - Internal synergies and alignment to core purpose
- Switch back to insourcing is challenging.

Recommendations

The Executive report recommends the following service delivery models:

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✓ The Council enters into a shared service arrangement with Hoople Limited for the delivery of HR Administration and Payroll to the Council and to schools.

✓ The Council outsources the operation of the Customer Service Centre (CSC) services to external suppliers through a competitive procurement.

✓ The Council retains responsibility for digital transformation and the technology that supports it, resourcing transformation with a combination of in-house resource and external expertise secured as and when required.

✓ The Council insources the Adult Care Finance and Exchequer services.

HR Administration and Payroll

- Preferred option is a shared service arrangement with Hoople.
- Most Councils deliver their own payrolls giving control and flexibility. But our payrolls are complex and we haven't delivered them for over 20 years.
- There is already plenty of recommissioning change.
- No commercial providers delivering Payroll and HR Administration services on their own.
- LCC is a shareholder in Hoople a public sector payroll provider keen to provide services to us and schools at cost.
- Earlier expert advice is that Hoople are an effective payroll provider.
- Hoople is experienced in BW and understands our payroll. Prior to service transfer Hoople will hold the Council's data and payroll solution de-risking transfer.

HR Administration and Payroll continued

- Hoople has not delivered a fire services payroll but will work with a Fire payroll provider who can provide advice.
- Staff would be in Lincoln alongside Council staff in Council accommodation.
- As a shareholder we would have influence over the system and service development.
- Chartered Institute of Payroll Professionals (CIPP) report
 - Believes most risk is a competitive outsourcing
 - Identifies that the key risk for both insourcing and a shared service model is the ability to attract and retain skilled payroll staff.

Future Customer Service Centre (CSC) and Transformation Commissioning

- Preferred option outsource the CSC as a single operational service where the key technology will be selected and contracted for by the Council. The Council will be responsible for digital transformation retaining control of what is transformed when.
- CSC is front line for most telephone calls and operates 24/7 365. Carries out routine transactions and social care. LCC has a well-developed and mature CSC. It's a complex logistical operation re call volume prediction and staff scheduling.
- Most Councils deliver in house - out of 15 shire counties, 3 Councils outsourced - Hertfordshire (Serco), Kent (Agilisys) & West Sussex (Capita).
- There is a commercial market.
- Outsourcing brings specialist expertise, innovation, resilience and frees up Council capacity and reduces change.
- Insourcing brings increased agility but retains operational risk and management of the logistics and increases volume of Council change.
- Building an attractive procurement and doing market engagement is key.

Adult Care Finance and Exchequer Services

- Preferred option insource Adult Care Finance and Exchequer Services.
- The Serco staff are well regarded and good performance against the KPIs.
- The Council has retained responsibilities for the financial charging framework through the Adult Charging Policy and the interpretation of legislative changes and identifying required system and process changes.
- No commercial market for Adult Care Finance and Exchequer as standalone services.
- The Council is leading on a review to manage debt down ahead of legislative change which could see it increase.
- Adult Care Debt Review Process and preparations for the adult social care reforms led by the Council shows need for greater visibility, accountability, proactivity across Adult Care charging and income recovery.
- Insourcing brings agility to respond to change, control to manage debt down, increases resilience and over time may provide the potential for efficiencies. It enables closer working with social care practitioners who know the service users best.

Budget

- In 21/22 the Council spent £14.8 million on the Serco contract including IMT. That included staff costs, contribution to overhead, profit and non-staffing costs.
- The proposed new commissioning arrangements likely to be delivered without step change in cost;
 - Services are essentially the same
 - Pragmatic approach on risk share
 - Serco staffing understood by service leads and no material changes proposed save for small increase in debt collection
 - Insourcing opportunities for savings over longer term
 - Hoople no profit or LGPS to pay
 - CSC digital transformation will reduce cost and no LGPS to pay
 - Preliminary costings carried out by Finance and HR indicates no change.

Key Project Risks

Key risks set out relate to the review work.

- Lack of capacity or capability – kept under regular review.
- Project slippage leading to insufficient transition time - timely decision making, regular review, dedicated resource.
- Lack of market interest in procurements – market engagement, pragmatic risk share, well-run efficient procurement process.

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