



***Establishing Leicester City Council's
Business Service Centre - update***

Director: Alison Greenhill, Director of Finance

Date of meeting: 16 October 2014

- Ward(s) affected: All
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Suggested content

1. Purpose of report

To update OSC on the work of Leicester City Council's newly established Business Service Centre (BSC). This report highlights in particular costs savings, service transformation activities, efficiencies delivered and the focus on achieving excellent customer service.

2. Summary

In April 2014 the authority launched the Business Service Centre (BSC). The objective being to bring together the existing transactional elements of Finance and Human Resources (HR) into a new business unit, with a focus on delivering process efficiencies, cost savings through economies of scale and improved service delivery to both internal and external customers.

Support services in local authorities are taking a considerable share of budget cuts. This is in order to maximise the provision of front line services to city residents and ensure that the "back office" is as lean and efficient as it can be. To respond to the budget pressures we must ensure our support services are run as efficiently as possible whilst at the same time providing services that are relevant, reliable and provide value for money.

Joining back office functions together creating shared service is a way in which efficiencies can be achieved. Bringing together transactional Finance and HR services, completely reviewing all processes and maximising the use of technology used in these various processes has delivered significant cost savings: £283K in 2013/14, with a further £120k to be achieved in 2014/15. It is expected that an additional savings target of £500k will be delivered by 2016/17.

Services within the Business Service Centre

There are four operational service areas within the Business Service Centre:

- **Adult Social Care Operational Finance** – whose primary role is to carry out financial assessments for contributions from service users towards the provision of residential and non-residential care and billing them accordingly. They are also responsible for processing payments to the providers of care, setting up direct payments arrangements and processing payments to foster carers.

Appointeeships: acting as appointees and deputies for currently 720 service users who are unable to manage their own finances.

- **Exchequer Service** - is responsible for a range of financial services including income, cash collection and debt recovery. The process to maximise the collection of debt owed to the authority has been reviewed and resulted in this service now moving debt through the legal debt recovery process themselves and only referring the most complex and contentious cases to Legal services. This includes issuing 'letter before action' notices as soon as a debt becomes overdue. This in turn has resulted in an increase in debtors making contact with the BSC and either settling their debt, agreeing a repayment plan or contesting their invoice. The exchequer service is also responsible for the payment of approximately 330,000 invoices and requests for payment per year. Other services managed within this team include processing 'right to buy' applications from the initial enquiry from a tenant to the successful sale and managing subsequent leaseholder accounts.
- **Pay and Benefit Services** –is responsible for providing a payroll and HR administration service to the council's 15,500 employees, elected members and external customers as well as sourcing and promoting staff benefit schemes and offers.
- **Vacancy Management** – this service consists of operational recruitment who work with recruiting managers to fill vacant roles from within the authority and only advertising externally in exceptional circumstances. The vacancy management service is also responsible for the hiring of agency workers, interims and consultants. This includes strict monitoring, control and the governance surrounding placements, tenure and rates of pay.

2. Process redesign

The redesign of processes carried out by these functions has been undertaken, and further work continues in order to drive further efficiency savings. This also includes maximising the use of technology and IT systems already in place to ensure that they are working at their optimum level. By carrying out this work other areas have needed or will require updating for a number of reasons, for example:

- Financial procedure rules will need verifying and updating;
- The need for a policy that covers the raising and pursuing of debt for both internal use and external customers. Taking into account the current fair debt policy but ensuring the collection of debt is consistency applied

throughout the organisation;

- Looking at implementing 'payment up front' for services, negating the need for a debt to be raised. This approach has proved successful with the introduction of the new garden waste service.

3. Customer Access

The majority of services within the BSC are accessed via the BSC customer services team who act as the first point of contact for queries, advice and guidance relating to the various services provided. It could be a supplier chasing a payment, a debtor querying an invoice, an employee querying their salary payment or a manager wanting advice on granting an employee compassionate leave. The aim of the team is to give consistent advice and to resolve 90% of queries received 'first time' ensuring the customer experience is a positive one. By having a dedicated team handling queries, by phone, email or 'e' forms frees up the 'back office' teams to concentrate on their respective areas without interruptions.

4. Going forward

Some of the key priorities for the next 12 months will include:

- Reviewing the processes currently undertaken by the Adult Social Care operational finance team and making sure the processes align with the introduction of the new social care IT systems and the impact of the Care Act.
- Undertaking an options appraisal to review both the current Finance and HR IT systems as both contracts end in 2017 and making a decision on how systems will support these key back office services in the future.
- Reviewing the role of the cashiering service now that the cash office has closed and the amount of cash collected is reducing and emanates solely from council establishments, e.g. leisure centres, schools, car parks and parking meters.
- Reviewing and streamlining the processes carried out in managing car parking enforcement debt.

The ultimate goal and purpose of the BSC is to deliver efficient and effective services which provide value for money and a professional service to its customers.

3. Recommendations

OSC to note the content of the report.

4. Report/Supporting information including options considered:

Not applicable

5. Financial, legal and other implications

5.1 Financial implications

There are no significant financial implications arising from this update report, which describes the work of the newly established BSC and the steps being taken to improve efficiency, transform service delivery and reduce costs – Colin Sharpe, Head of Finance, ext. 37 4081.

5.2 Legal implications

There are no legal implications arising directly from this report.
Sarah Khawaja
Principal Solicitor (Regulatory & Property)
37 1448

5.3 Climate Change and Carbon Reduction implications

Please contact climatechangeimplications@leicester.gov.uk for implications

5.4 Equalities Implications

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

N/A

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6. Background information and other papers: N/A

7. Summary of appendices: N/

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

No

10. If a key decision please explain reason

N/A