

# **FINANCE**

## **SERVICE DELIVERY**

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# 1 VISION

## 1.1 OVERARCHING VISION

Our overarching service vision is one where Capita's support to Barnet extends beyond the NSCSO scope, enabling Barnet to be recognised as a Borough where the supply of services are owned by those who live and work here, and where citizens, staff, business and the community are aware of and participate in an environment of opportunity and success.

To achieve this we will enable citizens and customers to live in sustained and supported independence, as Insight allows people's individuality to be understood, recognised and reflected in getting the help they need, in the manner they need it and within the financial constraints they understand. Customers will become co-designers, shaping relevant and valued services as well as being willing partners in delivery, helping us to build on what already works in Barnet, working with existing organisations to improve their capacity, rather than creating our own. This allows us to provide the infrastructure to deliver a One Public Sector single solution through unified customer interaction and an integrated supply EcoSystem, extending beyond Council services to interaction with the wider public sector.

In the future the Council will be unique in the public sector, recognised as a business-led and truly customer-focussed organisation, all staff, suppliers and delivery partners feeling supported and informed as they work to achieve their best for citizens - whether that be through continually improving existing services or helping to design new services to meet new emerging needs.

### Delivering the Overarching Vision

As Barnet's trusted NSCSO service provider, we will deliver a step change in service delivery and customer experience so that interactions with Customers (be they Citizens, Barnet Businesses, Voluntary Organisations, Suppliers, Members or Council Employees) are valued and easy to complete. To do this, we have defined 3 key over-arching design objectives for the NSCSO:

- **Build Service Delivery Differently** – Create a new service delivery paradigm to change the customer relationship. Enable multi-channelled delivery and the ability to bundle services in ways that relate to and are valued by Customers and puts them at the heart of service delivery
- **Manage Service Delivery Differently** – Transform the way Customers interact with our services (and the Council) by transferring control to them. A new level of transparency, rapid process improvements and built-in deeper levels of Insight are inherent in this approach
- **Maximize Efficiencies Differently** – Changing the way Customers interact will impact how services can and should be delivered. Changes will be co-designed with users of the services; focussed on their needs and supported by tools and technology platforms enabling transformation and continual improvement.

Our objective is to offer high quality and relevant services. We will provide effective, engaging and personalised services at every touch point. To achieve this, we will promote a shift from the typically supply dominated "Push" approach to service

design and delivery to a Customer Orientated “Pull” approach, which is time and location independent, personalised and contextual.

We will use the intelligence gathered through co-design and our on-going management of processes and operations to create dynamic and personalised service delivery for all customer groups. This rich understanding of Customers drawn from behavioural analysis, and combined with our experience and Barnet specific Insight, will enable us to identify and understand patterns of Customer behaviour and will be embodied as Single Customer View.

### Service Delivery Model

We will establish a robust Service Delivery Model which enables certainty of delivery and performance, partnership flexibility (commercially and operationally), with investment in infrastructure and capability to support achievement of the Council's outcomes. All Customer groups, internal and external, will interact through the same service delivery model structure, as shown in the diagram below:

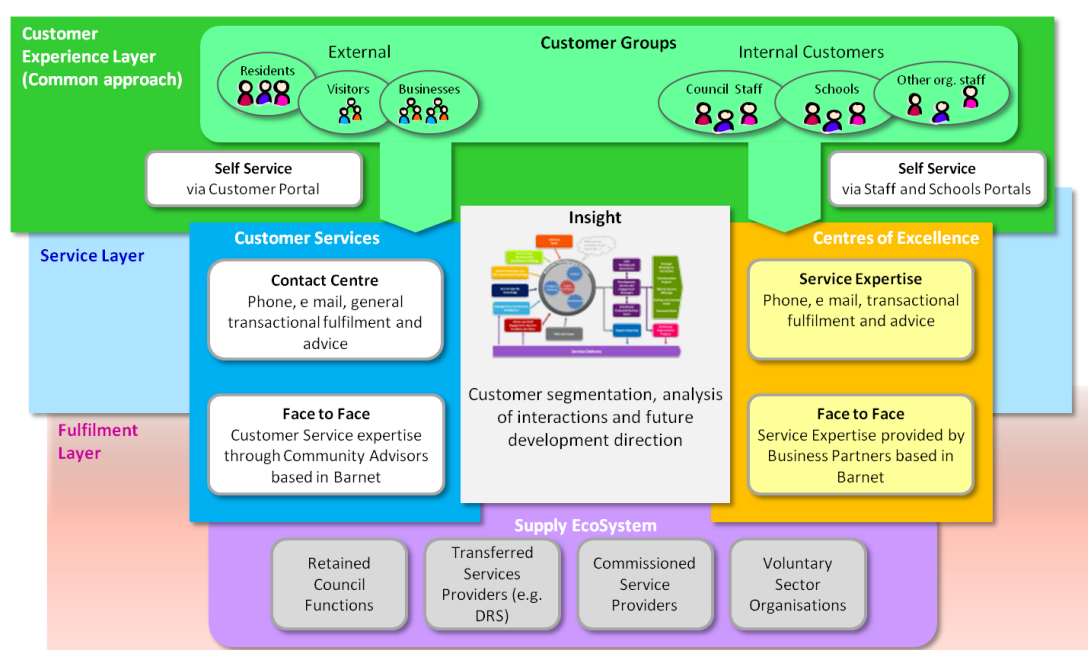


Figure 1 - NSCSO Service Delivery Model

We will invest in and deploy **technology and repeatable strategies** that shift the focus from merely surfacing the service offerings, to providing a single window to bundled services from ourselves, the Council and other providers where appropriate.

We will build our service architecture using **flexible rapid service deployment frameworks**. These will enable us to carry out efficient transaction handling, irrespective of channel, and deliver an organisational change capability that enables us to respond effectively to the changing environment. They will also allow us to promote a culture of service excellence and improving delivery while at the same time lowering cost.

At the heart of our proposition is a drive for effectiveness and increased self-help and self-service. This will only be realised if the customer experience is excellent, the

services are relevant and execution is timely. To achieve these, we need to understand what our Customers want to do and design our services, and their constituent transactions, around those needs, ensuring we deliver effectively from beginning to end.

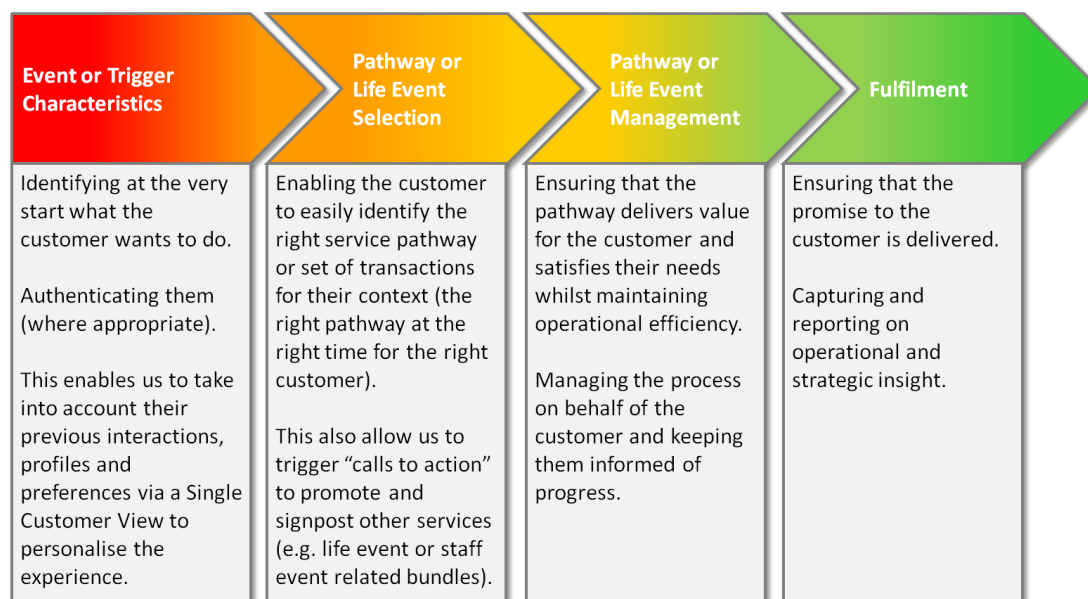


Figure 2 - Customer centric, effective end to end service delivery

This approach will make our services effective and our experience shows us that 'efficiency' follows 'effectiveness' – this is a fundamental element of our business ethos. We will deliver value by:

- **Building Delivery Capacity**, not just channels - through an integrated Service Delivery Model that is channel transparent
- **Building Delivery Capability**, not just Services - making things easy to do
- **Building Operations Competency** - delivering operational excellence, continual improvement, service alignment and business assurance.

## 1.2 FINANCE SERVICE VISION

The Finance Department will play an important part in delivering the overarching vision.

Our vision for the Finance service is to build on the existing high performing service, utilising the Capita infrastructure to allow stakeholders access to a wide range of services using best in class solutions, supported by targeted investment in people and technology.

Internal and external customers will benefit from improved tools, enabling them to self-serve and self-help.

Customer Services will be the advocate for internal and external customers across the whole EcoSystem.

From a performance perspective, once transformed, the service will consistently meet, and in many cases exceed, the Council's performance requirements.

The Scope of the finance service will cover:

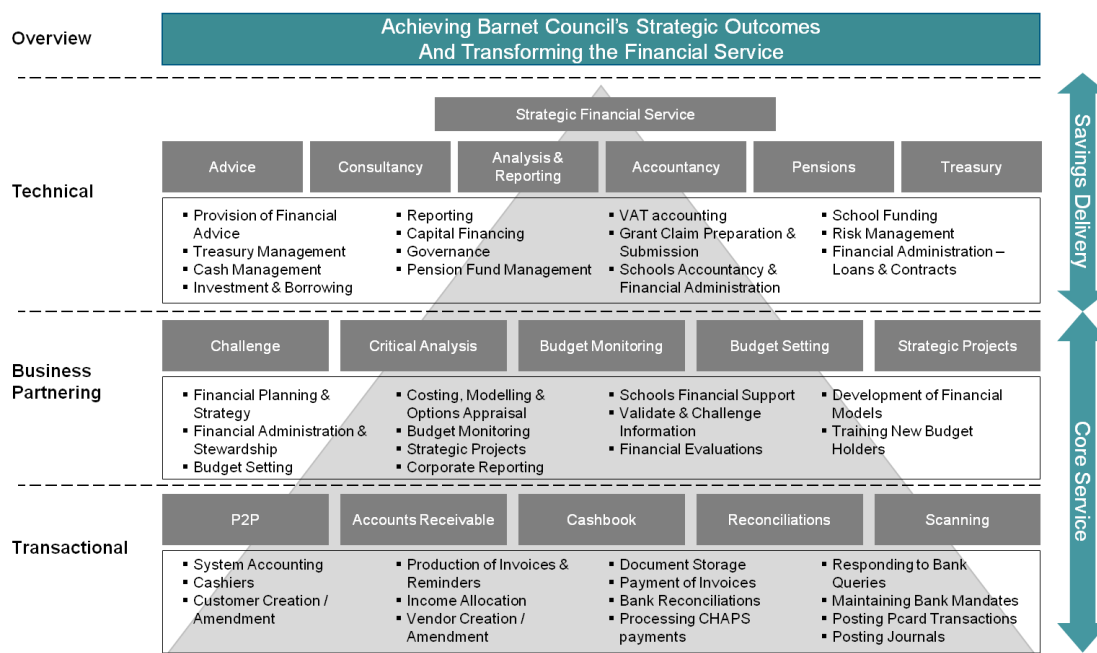


Figure 3 - Scope of finance service

### 1.3 OUTLINE OF HIGH LEVEL SOLUTION

The service provided to Barnet by the Finance department is already performing to a good standard. We will build on this performance to also deliver cost savings through the implementation of our outlined Service Delivery Model.

The future Finance Department will ensure that it meets the needs of the Council, providing timely and accurate financial information and advice, allowing for more informed decision making.

Our model will drive and support self-help for all users of the finance service. We will co-design the future service, including the various interfaces and portals, to ensure that they are intuitive and easy to navigate. Our goal is that self-service becomes the most convenient approach to finance servicing.



The below shows the target organisation structure:

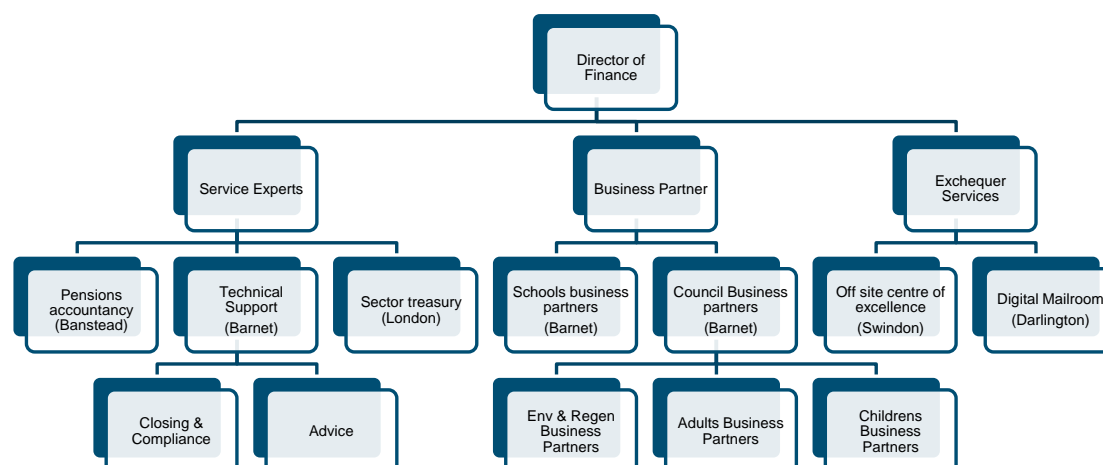


Figure 4 - Target Organisation Structure

## 1.4 CUSTOMERS

Our Customer centric co-design approach means that the customer is always at the heart of our service delivery model for Barnet. The model - which is outlined in greater detail in the Transformation method statement - ensures that we develop a clear understanding of the customer's requirements, whether they be internal or external to the organisation. We will also identify any issues they have with the current service, which act as obstacles to meeting those needs, as well as any opportunities where the service could go further in providing them with greater value.

Using this insight we will develop a coherent multichannel service, with online and offline touchpoints that perform consistently, intuitively, predictably and simply for customers. In doing so, we will continually seek to resolve customer issues, as well as innovate to leverage each opportunity to go further.

Specifically we will:

- Engage customers during service transformation to better understand their requirements
- Use customer journey mapping techniques to identify issues and opportunities within the customer's current service experience, and to then map future journeys that resolve those issues
- Run regular service forums / user groups, to gain feedback on our proposed 'prototype' changes, and to develop an ongoing, long-term 'conversation' with service customers
- Regularly communicate changes so that customers anticipate and are prepared for changes.

We are confident that, in this way, we will make it easy for customers to self-serve with finance, and thus drive a change in behaviour across customer groups to one which delivers significant savings. The Finance Department provides a service to

both internal customers and external customers. We will adjust our model to ensure we reflect the requirements of both parties when designing our models. For example:

**Internal Customers:**

- Providing a service to members and the senior management team in ensuring there is the appropriate governance framework maintained and that all reports and returns are produced on time, and are easily understood
- Supporting budget holders to deliver their budget and set challenging but deliverable budgets in future years
- Utilising embedded workflows for day to day transactions, including an end to end purchase to pay process linked in with the procurement work stream.


**External Customers:**

- Suppliers to the Council want to be able to transact easily and simply with the Council. We will ensure we offer the most efficient and effective means of making payments whilst still maintaining appropriate controls. We will actively identify those suppliers who would benefit from changing their processes to ensure benefit is delivered to them
- Customers want to be able to pay their bills in the most efficient manner to them; our single view of debt program will seek to create an overall view of the customer and their ability to pay, therefore allowing the Council to make informed decisions as to whether they should interact with that customer - and if they do what payment method and debt recovery approach should be applied.

Any change to the user experience will need to be carefully managed to ensure minimal degradation to the service delivery. We will train all the relevant parties in the new ways of working, communicating to them the benefits to make sure they recognise the advantages they will achieve through the new ways of working.

Our proposals will have a significant impact on how customers will interact with the service. As part of our approach to co-design, we will use customer journeys to illustrate the nature and benefits of the future service. In the example below, we have taken two aspects of service delivery to show how we anticipate our future operating model working in practice.

The example relates to how a budget holder will review his budget and variances using the new Axiom budget management software.



Norman

Budget Management

Services Access

Org. Position

Capability

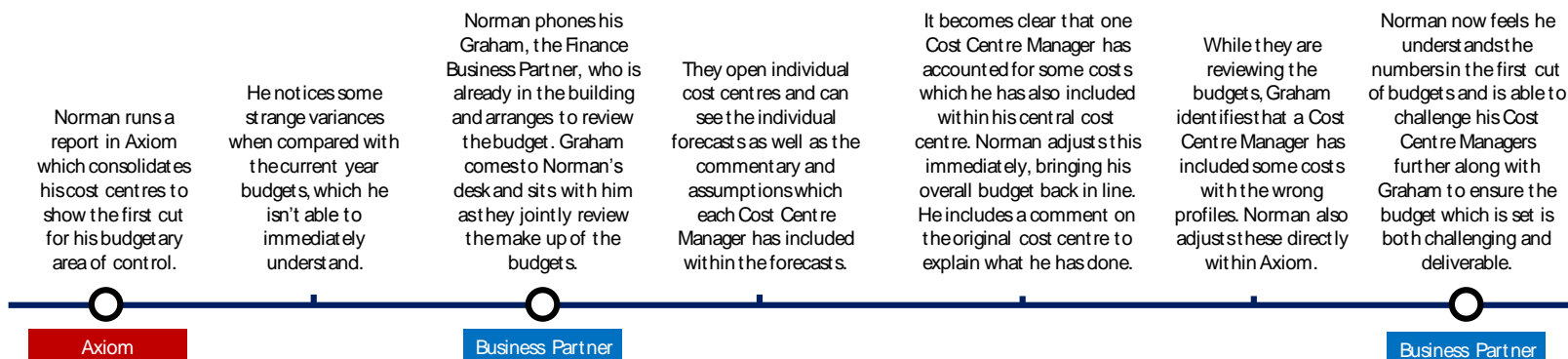
Case Expertise

Experience

### Norman's Situation

Norman is a Budget Manager in Children's Services, with responsibility for a number of cost centres. He knows his managers have updated their first draft budgets and he wants to review them. Having been involved in the planning and implementation for the new finance system, he understands how the Axiom system works.

### Experience



### Moments of Truth

- ▶ Easy access to required data
- ▶ Accessible support from Business Partner
- ▶ Simplicity of making changes

### Key Enablers

- ▶ Axiom software
- ▶ Business Partner
- ▶ Visible, usable data
- ▶ Immediate change

## 1.5 SERVICE EXPERTS

Our team of Finance Service Experts (also referred to as Subject Matter Experts, or SMEs) will focus on the specific elements of the finance service which require technical accountancy and Financial expertise.

During dialogue, the Council has stressed the respect that the staff providing this service have within the Council, and how they have helped turn the Council's Finance Department into the high performing department it is today.

We will utilise the staff transferring from the Council to Capita to deliver the technical accounting and advice elements of the Contract.

Finance Service Experts will be largely located within existing Barnet offices, our proposals include the implementation of an agile workplace programme across the Council to enable people to work more flexibly and from the best location suited to the task being performed.

This will allow Capita to reduce the demand on property across the Borough and exit NLBP 4 in 2015. People exiting NLBP 4 will be relocated in Barnet House and have the ability to work from outlying Council assets as and when the need arises. A small number will be relocated into NLBP 2 for service synergy reasons

Some elements of the service, however, will be run from other Capita specific locations - these are:

- Pensions accountancy, will be delivered by our industry leading Pensions division Capita Hartshead, based in Sheffield
- Sector Treasury, Capita's specialist treasury management and capital finance advisory teams supported by our technical accounting, treasury management and asset finance teams in central London, will deliver specialist treasury advice (note that the operational day to day treasury service will be provided on site in Barnet utilising the transferring staff)
- Finance Centre of Excellence, located in Swindon we will deliver all the transactional elements of the finance service using system embedded workflows to route the transactions to the appropriate area
- Darlington as a digital mailroom to receive, sort and scan invoices and other supplier correspondence.

We will ensure all accounts are prepared in a manner that is driven by the Delivery Units, as operational owners of the budget. Our local Service Experts will provide a technical review of the consolidated budgets and provide additional challenge to ensure the overall goals of the Council are achieved. They will ensure that saving plans are robust and appropriate and will drive the savings which the Council require. These staff will have significant interaction with the other elements of the finance function:

- Business Partners (see Section 1.6 below), for consolidating the latest forecasts and consolidating those, and challenging the forecasts to ensure they meet with the Council objectives

- Our Finance Centre of Excellence (see Section 1.7 below), to ensure cash flow forecasts are accurate and the reconciliations completed in the Centre of Excellence are completed and reviewed.

The Service Experts will also interact with the Council's senior management team and Members, as required, as they will take a holistic view of the financial health of the Council.

Our Service Experts will be suitably qualified and will be supported by the wider Capita Finance community.

## 1.6 BUSINESS PARTNERS

Underpinning our Finance delivery model is the use of Business Partners, acting as critical friends to the budget holder. This approach is based around Capita's own organisation structure, which has seen fiscal controls applied to the organisation flex as we have grown.

The Business Partners play a vital role in ensuring the financial controls and policies are adhered to, and that areas of risk are identified, flagged and appropriately managed. We have experience of working in conjunction with the budget holders and Heads of Service, using the expertise and financial acumen which is associated with being a finance professional to support and aid the decision making process.

The resources will be delivered across the same delivery units as they currently are, Childrens & Adults, Central, and EPR. As well as supporting the schools. The activities will be to support and challenge the budget holders in the divisions, ensuring strong financial governance is adhered to whilst identifying opportunities for performance improvement within the division. We expect Business Partners will be centrally located within NLBP4, with easy access to their relevant delivery units.

We are aware through due diligence the Council already utilises a business partnering model with finance personnel supporting the budget holders. We will utilise the Axiom Budgeting module and new finance system, Integra, to allow the Business Partners and budget holders to have greater visibility of the cost centres, thus allowing for more time to be spent challenging and reviewing the numbers rather than in preparation. Please see Section 4 for more detail.

The Axiom Budget Planning Module will streamline the forecasting and consolidations of the forecasts allowing the business partners to focus more on challenging and supporting the budget holders.

The Business Partners will be the key interface to a number of other areas, including:

- The technical finance team - Consolidating budgets, resolution of audit issues requiring operational input (e.g. Cash flow impacts of Projects)
- Procurement - Ensuring the savings which are embedded in the budget have been evaluated, and can be delivered
- Finance Centre of Excellence - Supporting the reduction in outstanding debt, specific to their service area, and for P2P elements

- HR - Facilitating consolidated and streamlined reporting to ensure there is one source of information for all key Council decisions.

All Finance Business Partners will be based in Barnet, delivering service face to face to the budget holders, with easy access to the budget holders and members of the Council they support. In line with our proposed property strategy, they will be agile and have a flexible working ethic, which means they will be spending their time between the partnership finance team location in Barnet and Delivery Unit locations as necessary. The Business Partners will be located with the rest of the Capita partnership staff who are based in Barnet, to remove the risk of them 'going native' and not putting enough challenge and scrutiny on the budget holders.

The Council budget holders' primary point of contact will be the Business Partners, who will be contactable via mobile phone or e mail during office hours.

## **1.7 FINANCE CENTRE OF EXCELLENCE**

Underpinning the high quality finance service we will deliver will be the automation of core financial processes within the exchequer functions of accounts payable, accounts receivable and cashiers.

Our target operating model for Exchequer Services will be to automate the processes as much as possible, removing the paper flow from the organisation and maximising system usage.

Those areas we cannot automate will move into our Finance Centre of Excellence, based in Swindon where we can deliver maximum economies of scale whilst also ensuring sufficient segregation of duty.

The Finance Centre of Excellence will have access to the Barnet Finance System, with embedded system workflows which will allow the staff to:

- Process invoice payments and deal with supplier queries
- Raise sales invoices and reminder notices
- Process BACS payments and direct debt collections.

The Finance Centre of Excellence will be set up with a generic email address which will be used for all query logging. Response times will be logged to ensure we can track the performance of the department, with a team leader providing overall control of the e mail address.

There will be a single contact number for all Council queries, which will be used by both suppliers and customers. This will use natural language to route the query to the Finance Centre of Excellence for the resolution of queries specific to the Finance Service.

## **1.8 RETAINING KEY STAFF**

Through dialogue, we have identified a number of key roles which the Council consider key to the continuity of service and to reducing the risk of reputational impact through adverse performance: in particular the staff supporting the delivery of the closure of accounts, the treasury management service and the staff providing

support to the budget holders. We will maintain these staff within Barnet and ensure we support them with additional appropriate training, as will initiating knowledge transfer activities, as further outlined in the Transition Method Statement, to reduce the risk associated with these individuals.

We expect these staff to fulfil Business Partner roles and the Service Expert roles located within Barnet, so ensuring continuity of service and reducing the risk during transition. Where required we will supplement these staff with additional Capita resources who will work in support of the transferring Barnet staff. These additional staff will provide both additional capacity, through the period of change, ensuring the day to day activities are delivered, but will also be able to provide additional expertise in respect of the transformation activity.

Further detail about how we would support our staff is detailed in section 3.

## 1.9 SERVICE SPECIFIC LOCATIONS

OUTPUT SPEC. REFERENCE	DELIVERED THROUGH					
	Self Help/ Self Service	Contact Centre	SME Remote	SME Local (Barnet)	Face to Face (Barnet)	CofE
FIN 001				✓		
FIN 002				✓		
FIN 003	✓			✓	✓	
FIN 004	✓			✓	✓	
FIN 005	✓			✓	✓	
FIN 006				✓	✓	
FIN 007				✓	✓	
FIN 008	✓			✓	✓	
FIN 009			✓	✓		
FIN 010			✓	✓		
FIN 011				✓		✓

OUTPUT SPEC.	DELIVERED THROUGH					
FIN 012				✓		
FIN 013				✓	✓	
FIN 014				✓	✓	
FIN 015				✓		
FIN 016				✓		✓
FIN 017						✓
FIN 018		✓			✓	✓
FIN 019	✓	✓			✓	✓
FIN 020					✓	
FIN 021				✓	✓	
FIN 022	✓	✓		✓	✓	✓
FIN 023	✓	✓		✓	✓	✓
FIN 024	✓	✓		✓	✓	✓
FIN 025				✓	✓	

## 1.10 SERVICE RESILIENCE

There is an expectation that the shape and structure of the Council is going to change over the coming years, making the requirements of the finance function become more complex, and potentially requiring a different skill set from that which is currently available.

Partnering with Capita will mean that LBB get the resilience and support expected from a FTSE 100 company. We are able to provide additional key resources at key times, call upon expert help when required and bring with us the experience of delivering and transitioning finance services from a number of Local Authority organisations such as Mendip, Vale of White Horse and South Oxfordshire.

All services will be delivered from within Barnet using transferring staff, which will ensure continuity of service and reduce the risk involved with service transition. The



only exception to this is the transfer of the transactional processing work and pensions accountancy work, to Swindon and Sheffield respectively. Transferred staff will be supplemented during transition by additional skilled Capita Personnel who are experienced in delivery of transition of similar services, as well as the technology implementations to support the service transformation and on the preparation of accounts.

The Finance Centre of Excellence will provide additional support both in terms of the transactional processing and additional resource supporting the current service delivery, ensuring service levels are maintained through the transition and transformation of the service

### **1.11 INNOVATION AND CHANGES TO THE CURRENT SERVICE**

The current service provided by the Finance Department already performs to a high standard, already performing highly against its key performance Indicators.

Our model looks to build on the existing high performance, utilising the infrastructure available to Capita to deliver further improvements in the service, including:

- The use of Axiom Business Planning software to allow for easier consolidation of budgets, and profiling of budgets whilst controlling the assumptions included. More detail of this is included in Section 4.1
- The creation of a supplier portal to allow for external suppliers to access their supplier information reducing the need for supplier contacts
- The use of the Capita Digital Mailroom and scanning infrastructure, based in Darlington which utilises Intelligent Character Recognition Software (ICR) using a system called Readsoft, this allows for the extraction of key lines of information for routing into the Finance system
- The use of our Finance Centre of Excellence for volume processing of transactions, enabling efficiencies to be delivered, without compromising on quality
- Fully integrated Pension administration and Pension finance service, with all payments to members initiated by the Hartlink system and paid, with no further intervention, through ACCLink, the accounting module of the Hartlink system. Full reporting is then available through both systems.

We will continue to innovate the service by engaging with customers. This engagement, through customer forums / user groups, will help us identify opportunities for innovation - such as the introduction of new channels or the optimisation of services for new business devices.

## **2 DELIVERY OF FINANCE REQUIREMENTS**

We have reviewed the output specification for the Finance function and can confirm our commitment to its delivery.

Through dialogue, it is clear that a lot of work has gone into the services delivered by the Finance function currently. We will bring additional technology and investment in

infrastructure and staff to build on this high level of performance to continually improve the services.

## **2.1 FIN001 FINANCIAL ADMINISTRATION AND STEWARDSHIP**

Our team of Service Experts and Business Partners will be responsible for ensuring there are appropriate controls and governance in place. We will take responsibility for updating all the finance procedure manuals, whilst keeping abreast of latest accounting requirements.

In order to ensure our staff are kept abreast of all changes to accounting standards and legislation, transferring staff will be encouraged to partake in a number of support groups and networks as well as attending various regional and national training events and updates including:

- CIPFA Finance Advisory Network (FAN) network and attend training courses and seminars as well as being members of the online forums
- CIPFA local training and conference events are attended by our members and feedback given to the teams where applicable
- LAVAT VAT advisory forum and attend meetings and training courses
- Sector Treasury training courses and updates as well as meeting with the treasury advisors at various points throughout the year
- Audit Commission seminars to ensure that national issues and developments are considered and acted upon as well as giving us the opportunity to network with our peers
- We are members of local working groups which meet periodically to discuss current issues and concerns as well as giving us the opportunity to benchmark and develop best practice
- We are approved ACCA and CIPFA CPD training providers - this helps us ensure that our qualified members can keep their CPD up to date.

We will allocate specific resources located in Barnet to update and amend all process and procedure manuals, ensuring that the technical language for manuals which are used by non-finance personnel is kept to a minimum to facilitate ease of use.

Recognising that a number of staff maintain offline copies of Procedure Notes, we will email all relevant users of the Procedure Notes, informing them of any changes.

We will work closely with the internal and external audit teams to understand all recommendations arising from audits and will apply changes as necessary.

## **2.2 FIN002 FINANCIAL PLANNING & STRATEGY**

All the Council activities will generally have a financial consequence and therefore all of these need to be fully evaluated against the Council's overall financial strategy. Our Service Experts will support the evaluation of this, ensuring the information and assumptions used to arrive at decisions are able to stand up to scrutiny and are consistent with other areas.

Through dialogue with the Council, we recognise the need for a Finance service which is able to flex to meet the requirements of the Council as they develop and change through the life of the agreement. We will flex our team using wider Capita resources to deliver services to the Council which support the delivery of its core financial strategy, in line with appropriate professional standards and codes of practice.

Where support needs to be provided to budget holders and schools, our Business Partners will be the first point of support, supplemented by Service Experts where required to validate accounting principles or assumptions.

Service Experts will take the key finance lead roles at Service Senior Leadership teams, providing support and advice on all decisions. They will ensure all changes to financial performance are reported through to the Cabinet Resource Committee in a clear and concise manner.

## **2.3 FIN003 FINANCIAL MANAGEMENT BUDGETS & BUDGET SETTINGS**

The Business Partners will have a key role in supporting the budget holders set their budgets, working closely with each budget holder to review the assumptions and to provide challenge on areas of cost overspend. They will also work closely with budget holders to support the creation of the budgets, whilst challenging and recording the assumptions which have been made.

Using Axiom, budget setting itself will be a lot simpler for budget holders, as a number of the assumptions and calculations will already be embedded within the system. For example, Axiom allows for salary uplift assumptions to be made centrally, by cost centre, or by individuals to ensure the most accurate forecast is provided. As Axiom will be linked to the HR system, the payroll information will be pre-populated, allowing budget holders to amend end dates and add in vacancies. More information on the Axiom system is provided in Section 4.1.

Our Business Partners will ensure that the budget reconciles to HR assumptions in terms of vacancies and recruitment policies. They will also ensure that any change to legislation is factored into the forecasts as appropriate - for example the recent legislation on pensions auto enrolment, and the impact that may have on future budget profiles.

We will utilise 'bridging' documents to show the movements of budgets year on year which will enable us to challenge the movements in the budgets.

Our Service Experts will consolidate individual budget areas to provide an overall consolidated view of the Council's budgets, including reviewing these against prior years and against the medium term plan.

Virements will be requested through Business Partners. Once agreed and signed off, they will be processed through the system, and updated to the Axiom budgeting tool.

Uploading of budgets will be done via an interface from Axiom directly into the Finance system, removing the need for budgets to be manually uploaded - this will be done at cost centre and account code level.

Once the budgets have been prepared by the service stream, the Service Experts will consolidate these and produce an overall view of the Council's financial position, ensuring appropriate accounting treatment has been applied.

The Service Experts will produce the budget book and then assist with the financial input to the Council Tax leaflet.

## **2.4 FIN004 COSTING MODELLING & OPTIONS APPRAISALS**

The cost modelling and options appraisals will be prepared by the Business Partners with evaluation carried out by the Service Experts. Our Service Experts will support the Council in the provision of financial forecasts and financial models for both budgets and projects. As part of this, we will perform scenario tests and sensitivity analyses to understand all the risks associated with the project.

When requested, we will undertake financial evaluations for contracts and provide a written recommendation within the time period specified.

Once projects are live, we will support the project manager in budget monitoring and tracking against assumptions included in the original business case.

We will keep abreast of all legislative changes and ensure that any which may have a financial impact on the Council are carefully reviewed, and the impact to the Council understood.

Within our team of Service Experts will be staff specifically tasked with responsibility for Schools, and in particular looking at impacts arising from changes to funding and regulations on the services.

## **2.5 FIN005 BUDGETING MONITORING**

Overarching our automation of core financial processes is the production of timely, accurate and reliable information to facilitate and support decision making within the Council. Key aspects of our transformation will include:

- Design and implementation of on-line budget monitoring reports, with full drill down capability, in conjunction with budget holders to encourage ownership and facilitate self-service functionality
- Collaborative budgeting processes via workflow to ensure accuracy of budgets and forecasts, including profiling, and increased financial ownership within the Council.

All budget monitoring information and reports will be in a pre-agreed format based on output from our co-design activity. We will ensure that the reporting produced is consistent for all areas of the Council, with reports which are presented to Members capable of drilling down to individual cost centres.

New requests for access to budget reports will be granted once the desk based training has been carried out. Training for budget holders will be provided as part of the core Capita training program, but will be supplemented where necessary through additional desk based support provided by Business Partners when required.

Journals amending any coding errors will be sent to the Finance Centre of Excellence once approved for posting to the general ledger, ensuring these are raised in line with the Council's financials controls. To ensure the budget monitoring reports maintain accuracy, we will ensure all key control account reconciliations, including Bank reconciliations, are carried out each month, and that all reconciling entries are identified (and where appropriate, adjusted).

Business Partners will provide advice and support for all budget holders and project managers, validating information provided and challenging the budget holders in a constructive and helpful manner.

We will timetable all reports, including the deadline for their completion, ensuring there is sufficient time available to review the reports and challenge the details included. We will log the intended recipients for the reports - Corporate Directors Group, Cabinet Resource Committee, and the Schools Forum - and ensure these are tailored to their needs.

## **2.6 FIN006 STRATEGIC PROJECTS**

When planning strategic projects, we recognise the importance of having strong financial leadership, not just at the planning stage but also as the project moves into the delivery phase, to ensure costs are being delivered in line with expectations.

We will utilise the Business Partners to support and challenge the assumptions included within the project. They will also track against delivery. To supplement the Business Partners, we will also utilise the technical Service Experts to support production, amendment and updating of models. This segregation will allow the Service Expert to provide additional financial challenge, and look at the project objectively, taking into account the wider Council objectives.

## **2.7 FIN007 CORPORATE REPORTING**

The locally based Service Experts will also be responsible for all corporate reporting, both internal and external to the Council, as they will maintain the overarching view of the Council's finances.

All standard reports will be automated and saved into a detailed reporting suite which can be accessed by members of the finance community, ensuring all reports are produced consistently.

The Service Experts will be responsible for maintaining the accounting policies for the Council, as well as all manuals and documentation held on the web site.

We recognise the Council has done a lot of work on ensuring that the close down of the accounts is completed in a timely fashion, and that they are now closed with draft statements produced by the 31st May.

We will continue this work using the staff transferring, who will still be based in Barnet, to maintain the skillsets and knowledge already gained. We will use a 'soft' close approach during February, where we will ensure all journals are processed for the month end which would normally be completed at year end, to enable the auditors to commence their testing work. This would allow the auditors to satisfy themselves regarding the controls in place and will shorten the close down time required.

We have previously received exemplary feedback from external auditors in a number of recent audits, in which our working papers have been commended by the audit team for their clarity and relative simplicity. Building on the work which has already been carried out in this area, we will continue to:

- Deliver a Standardised format of documents for all areas, facilitating easier consolidation and consistency of approach
- Ensure all reconciliations have been counter-signed by a senior member of staff prior to submitting to auditors
- Ensure the financial statements are generated directly from the Trial balance held within the Finance system, with minimal alterations.

We have reviewed the performance standards which have been included within the specification and are confident in our ability to deliver, recognising that delivery of these requirements will be pivotal to the Council to ensure a clean audit and ensuring the management of the Council are aware of their obligations and the information contained within the accounts.

Ken Crookes - Leader Hart DC

"Overall the report is a very good one, probably the best we have had for many years"

The Service Experts will prepare accurate capital and revenue monitoring reports and submit these to the Cabinet Resources Committee as per the agreed timetables. We will use these monitoring reports to obtain approval from the CRC for new or changes to projects.

## 2.8 FIN008 FINANCIAL ADVICE

We will use the Service Experts to provide support and advice to the Council on all the elements of work which require it. This may include

- Service projects
- Recovery plans
- Day-to-day advice around the delivery of the service.

As part of the provision of financial advice, the Service Experts will attend senior management team meetings to raise issues arising of a financial nature, and to provide challenge on current budgetary positions.

The Business Partners will be responsible for supporting the Council's budget holders on the provision of financial advice, including increasing their financial awareness.



## 2.9 FIN009 TREASURY

Operational support for the day to day cash management will be provided by the on-site Service Experts. This will include monitoring the daily cash position and updating cash flow forecasts, ensuring the Council liquidity and short term assets remain in line with the Treasury Management Strategy.

The Service Experts will also provide the cash flow forecasts, working closely with the Business Partners and other areas of the Capita partnership and Council teams to ensure these forecasts have been challenged and are accurate. The forecasts will be monitored on a month by month basis to understand the variances and ensure accurate forecasting is maintained.

Our treasury support service (Capita Sector Treasury) will provide the Council with additional expert support, which we have delivered to a number of Local Authorities. We will utilise our expert resource to provide advice, information and challenge where required to support the Council's investment decisions. When the Service Experts on site in Barnet require additional specialist and expert knowledge, this will be provided by Capita Sector.

Our Treasury Service will provide:

- Support in producing Treasury Policy/Strategy Statements and Quarterly/Mid-Year reports in line with the CIPFA Treasury Code
- Support in producing the Treasury Management Practices in line with the CIPFA Code
- Support in the production of the Annual Report in line with the CIPFA Code
- On-going advice on the borrowing and investment strategy
- On-going advice on the credit and investment policy
- Regular economic and interest rate forecasts and updates
- Benchmarking of treasury activities.

This will deliver a range of benefits to the Council including:

- Cash flow forecasting to enable deployment of financial resources in the most beneficial way for the Council
- Investment and debt portfolio management, resulting in maximisation of financial resources
- Full treasury reporting to enable analysis and benchmarking of the Council's finances and cash flow including treasury KPI reporting and cash flow forecasting.

During dialogue, we have identified some areas where we feel the Council will generate significant additional savings. These are outlined in Appendix 1 of this method statement. We recommend this savings case be expedited as a priority following the Agreement Date.

## **2.10 FIN010 PENSIONS ADMINISTRATION**

Our Finance Team based in Sheffield will be responsible for the pensions accounting services for the Council; there will be named contacts who will work closely with the onsite transferring service experts

Our Fund Accountants ensure that tight timescales are met for contributions, investments, benefit payments and year-end accounts. Led by fully qualified accountants in our Sheffield office, our scheme accounting and treasury team provides services including quarterly, half yearly and year-end accounts, daily treasury monitoring, monitoring the receipt and investment of contributions, preparation of self-assessment tax returns and full investment monitoring for over 400 Schemes, accounting for over £20 billion in funds under management.

The Sheffield team will take ownership of the Annual Report and Accounts production and audit process to completion. We will liaise with the onsite Service Experts and the auditors to agree an accounts production timetable taking into account the particular requirements of each party. As part of this process, we will agree the required format of the report and accounts, working always within the latest Statement of Recommended Practice (SORP) for pension schemes.

We have standard format requests which we issue to fund managers requesting all of the information required for the production of the Report and Accounts. These are generally issued just before the scheme year-end and contain deadlines for the information to be provided. Once this date has been reached, we liaise with the fund managers for any information that is outstanding. If required, we can also stipulate that copies of the information are sent to the scheme auditors.

Scheme accounts are produced in accordance with a timetable agreed between the client, the auditor and ourselves, and the average turnaround for accounts produced for audit is just three months after the scheme year-end. To ensure that accounts are produced within the agreed time timetable, an Audit Timetable is produced, which acts as a trigger to identify and escalate any potential issues at an early stage.

We work closely with scheme auditors to ensure that the audit process runs as smoothly as possible, and provide their staff with office accommodation as required. We produce a standard Audit Working Paper pack which is given to the auditors as soon as they arrive on site. This provides them with all of the supporting details for the figures and details where any additional information can be located.

We liaise with auditors as early as possible in order to book the audit in for a reasonable date, allowing us time to gather the information to prepare the draft Report and Accounts but also ensuring enough time after the audit to respond to any outstanding audit issues and meet the deadlines required by the Trustees. We keep in regular contact with the auditors throughout the process to ensure that they have all the information and explanations they require to complete the audit. We provide desks for visiting auditors and facilitate complete access to all required information.

## **2.11 FIN011 CASHBOOK**

A fundamental feature of any Finance Department is to ensure all the cashbooks are up to date and correct and that all reconciliations are completed and reviewed on a regular basis.



We will review the suspense accounts on a daily basis to ensure all items are cleared, and cash has been posted to the correct account.

This work will be managed by the SMEs on site in Barnet, who will liaise with the treasury service and the technical accountancy team to ensure that all cash movements are processed correctly and that the accounts reconcile.

## **2.12 FIN012 VAT ACCOUNTING**

VAT and taxation laws are complex and ever changing. It is our standard practice to engage with specialist advisors to ensure that advice given on minimising costs within current legislation boundaries is correct and fully appropriate for each client. We use these advisors to complement our existing knowledge and expertise whilst providing a client focused service. Advisors are retained on a 'no win no fee' basis, with them providing the expertise to support the specific issue. By doing this we have been able to recover approximately £486k in refunds from HMRC for one of our local authority customers. We are also able to call upon the services of Capita plc's own Taxation department as and when appropriate to support the delivery of this requirement.

Across a number of our contracts, we have instigated online HMRC returns where the Council were previously completing these manually. This allows us more time to complete the returns and ensures that the information we are submitting is true and accurate. We have also enhanced the system reporting to enable us to easily obtain the information to feed into these returns and make the process as streamlined and efficient as possible.

We review inputs to the finance system where appropriate to ensure that this is not likely to cause implications on VAT or hinder processing. Where necessary, we have changed the process to get greater accuracy and efficiency. We recognise the importance of consistency and continuation throughout the process, and for that reason the person completing this task is also responsible for the reconciliation of these accounts, which provides a better understanding of the implications of inaccuracies.

All Government returns, including grant applications and CIS & VAT returns, will be signed off by the technical team who will ensure delivery of these returns are delivered to time and where appropriate filled in on-line.

We will identify all users within the Council's retained teams and the staff transferring to Capita who require training and agree a training plan with them that keeps them up to date with all changes to relevant legislation.

## **2.13 FIN013 GRANTS**

Our Service Experts will monitor all available grants which are available and ensure the Council is able to maximise its external funding opportunities. They will work closely with the Business Partner where appropriate to make sure all the relevant information and the correct supporting evidence have been provided.

Grant Claims created by the business will be sent to the Service Experts, who will validate the information provided.

We will maintain a timetable for submission of all the key Council Grant claims and ensure that the information which is required for the completion of this is provided in sufficient time to meet all the deadlines.

## **2.14 FIN014 INTERNAL AUDIT**

As part of the annual review, we will agree the audit plan and the timings of those audits, and will agree the terms of references and deliverables as part of each audit.

As explained in section 5.3, we will utilise the Capita Internal Assurance team to provide additional audits and we will be happy to share the outputs of these reports with the Council as an aid to the internal audit.

## **2.15 FIN015 RISK MANAGEMENT**

Our Business Partners will be responsible for maintaining risk registers for each operational area. The Service Experts will be responsible for reviewing these and producing a consolidated risk register which will be reviewed by the senior finance team every quarter.

For all identified risks, we will assign owners, timescales for resolution if applicable, or mitigating action should the risk materialise.

## **2.16 FIN016 SYSTEMS ACCOUNTING**

Requests for changes to the coding structures will be sent to the Service Experts, who will ensure they are appropriate prior to setup. In certain cases this will include checking the necessity for the change, to ensure there is not a proliferation of account codes and cost centres that are not required. Once confirmed, these will be forwarded to the Centre of Excellence for set up.

The Systems Accounting team will ensure all recharges are updated and accurate and that all purchasing card transactions have been reviewed prior to posting.

The imprest accounts will be checked to ensure they reconcile to the original advance and we will investigate where the account does not reconcile or limits are exceeded.

## **2.17 FIN017 CASHIERS**

One of the key drivers of an efficient debt recovery process is to ensure all payments which are received are processed in a timely and efficient manner, and the correct debtor accounts are updated with the payment. We are confident we can achieve the 24 hour turn around for this task.

We will route all incoming post to our Digital Mailroom in Darlington using a PO Box, where it will be opened and sorted. There it will be scanned and routed to the appropriate department. Cheques will be scanned and sent for payment into the Bank account, with the appropriate amount updating the Axis Income Management system on the same day. The remainder of the cashiers service will remain in Barnet.

Where cash or cheques continue to be received in Barnet, we will ensure the cash is counted and validated, with appropriate control sheets in place to allow for verification by senior personnel prior to the cash being banked.

The Cashiers Service is also responsible for the preparation of cash payments for disadvantaged children and adults. We will ensure that there is appropriate segregation of duty, and that all staff are trained and kept up to date with all appropriate legislation.

## 2.18 FIN018 ACCOUNTS RECEIVABLE

One of the key principles of our debt recovery policy is to create a single view of the customer, linking the sundry debt accounts within the Council's borders to its Council Tax or NNDR reference number. Integrating the Accounts Receivable team into the Revenues and Benefits team will allow for greater harmonisation of debt recovery across the two areas.

This approach will allow a more cohesive approach to debt recovery, and will allow for:

- More informed decision making at point of contact - for example if a customer wishes to procure some additional services, but are in a bad debt situation on their Council Tax account, the Council Officer providing the services will be able to make a more informed decision as to whether to still provide those services or offer a payment in advance solution
- Amalgamation of Debts - Sundry debts which previously would have been written off for being low value can be added together with the Council tax debt to create one single debt worth pursuing.

One of the problems with collecting sundry debt income is the inability in a number of cases to use Direct Debits due to the sporadic nature of the debt, coupled with the time expiration with all DD mandates. Our proposal will be to utilise one DD Mandate for Council services as a whole, rather than an individual one solely for Council Tax collection. This will allow for Sundry debt income to be collected in this format - which is the cheapest currently available.

It will also allow for an increase in the overall DD take up for the Council, thus helping with its Council tax recovery rates. If part payment is received, this will either be allocated to the oldest debt - if all the debt relates to the same items, if not we will seek confirmation from the payee as to where the debt should be allocated.

Where face to face meetings are required, dependant on the meeting requirement, staff will either travel down from Blackburn or we will use the Business Partners who will have knowledge of the debt and who are in Barnet to attend the meetings.

As part of our commitment to the Council, we will increase the collection rate within Sundry Debts. This will be done as follows:

- Cleanse the Customer database, identifying all customers who reside within the Barnet area
- Reconcile those customers to the Council Tax and NNDR database
- Agree differences and reasons for those differences with the Revenues collection teams

- Identify customers who already pay Council Tax/NNDR by Direct Debit and promote the use for Sundry Debt where applicable
- Identify potential bad debts and escalate appropriately, agreeing the course of action
- Agree with the Council the services/Customers which should be provided irrespective of ability to pay
- Identify customers who should be provided services only when paid in advance.

Our key principle for the collection of sundry debt income revolves around maintaining information in respect of the customers. This includes ensuring we understand those customers who:

- Are **Vulnerable** - We will identify with the Council all debt which will be marked as vulnerable debt and will then agree with each individual case the best approach for the maximisation of recovery of those debts without putting any undue stress on the customer. Where it is agreed that we will not proceed with any debt recovery action we will mark as such on the customer's account to ensure that they are not unduly chased, and to ensure time and effort is not spent on these debts. We will look to review each case with the Council on a regular basis to ensure the most up to date information is maintained. Our overall approach of single view of customer, identifying total customer debt will support the delivery of the Council's debt.
- **Can't Pay** - there will be some customers who fall into the 'can't pay' category. Again, we will identify the most appropriate course of action specific to that customer, working with the Council. We do recognise the Council has a duty to provide certain services, so our solution will flex depending on the individual circumstances of the customer, and in consultation with the relevant Council department.

## 2.19 FIN019 ACCOUNTS PAYABLE

The Accounts Payable team are already providing a good service which meets the requirements of the Council, ensuring that the majority of invoices are paid within 30 days, and the local SME supplier base are paid within 10 days. The Accounts Payable team also make a number of payments to people who are not suppliers, for example payments made via Adults Social Care and Health.

By utilising the Capita infrastructure already in place for both the scanning of invoices; the centre of excellence; and the close working relationships we have with Procurement we will be able to support moving the department forwards, delivering industry recognised best practice for the delivery.

We will work with Procurement to make sure the most efficient means of procuring goods and services are used at all times, flagging items which have not been sourced correctly and identifying training requirements for either Council staff or its external supplier base.

We will write to all suppliers requesting they send all invoices directly into our digital mailroom in Darlington, where we already process over 6 million documents per

annum on behalf of a variety of organisations, including the invoices and expenses of Capita plc.

Once received, they will be sorted and verified to ensure all correct information is included - for example, that they are quoting a valid purchase order number. Invoices which do not comply with the agreed processes will be returned to suppliers stating the reason why the invoice is being returned. Depending on the requirements of the Council, we can either reject invoices from the start, or take a phased approach to the treatment of invalid invoices.

Those items which comply will be scanned using ICR (Intelligent Character Recognition) software, which will extract line item detail from the invoice. Once the data has been extracted and verified as correct, the invoice will be automatically routed directly into the Finance System, where it will be matched to the purchase order without the need for keying.

We will store the invoice images on line, allowing users to be able to drill down from their budget reports directly to the original invoice, thus allowing for greater clarity around budget management. All invoices will be retained in line with the Council's retention policy.

Working with Procurement and the suppliers, we will ensure all suppliers embrace the paperless route, offering:

- Electronic invoices across all regular suppliers
- BACS payments, removing the need for storing cheques. We recognise that not all payments are to suppliers, and that some people will not be able to accept payments in this manner. We will therefore work with the Council and the person receiving the payment to ensure the most efficient means are used, both for the Council and for the recipient
- Electronic POs and remittance advices, sent via e mail to suppliers rather than posted.

Key Innovations:

- Maximisation of system interface automation across all finance system feeders to improve transactional efficiency
- Workflow processes for purchase orders and invoice requisitions, improving transaction efficiency, transparency and encouraging financial ownership within the Council
- Utilisation of scanning and intelligent data capture to convert paper documents to electronic data to increase processing speed and accuracy
- Promotion of channel shift including increased payments by BACS, electronic invoicing and remittances and supplier self-serve portals.
- Where no invoice is required or relevant, a payment request form will be filled in and e:mailed to the Centre of Excellence who will ensure it is appropriately authorised and will then arrange payment

## **2.20 FIN020 SECURITY COLLECTIONS**

Despite the reduction in its use, cash still carries a high risk of fraud or for the potential for it to go astray. Our operating model will utilise a security collection firm to collect the security bags for delivery either to or from the organisation which requires it. They will maintain a control log which will be then verified by the Finance team. The Security firm currently used by Capita for these types of services is G4S however we will also investigate the use of other providers and different solutions to ensure we have a best fit for LBB. Until such times as a decision on provider has been reached, we will maintain the current provision as is”.

We will work with the schools to identify the most appropriate collection day for them but will also ensure where possible this meets the most efficient route for the Collections. We recognise that the schools have a need to minimise the amount of money which is held on site in their safes for insurance and security purposes. We will liaise with the schools to understand when more than the minimum is likely to be held, and ensure there is a delivery booked for those dates.

## **2.21 FIN021 FINANCIAL ADMINISTRATION**

Our Service Experts will work closely with the Procurement team to ensure the most appropriate contractual terms are in place for all the finance contracts. We will log all contracts and the renewal dates to ensure the Procurement team are able to plan their work. We will agree, as part of this process, the changing requirements from the contracts, and ensure that all new contracts which are entered into are able to deliver within this changing environment.

## **2.22 FIN022 SCHOOLS TRADED SERVICE**

We will further enhance the performance of the schools finance service, maintaining the face to face element of delivery which has been deployed to date. We will continue to deliver the Finance services described in the Barnet Traded Services To Schools 2012-2013 document. For Finance, these are:

- Help Desk & Training
- Basic Accounts
- Accountancy Services
- Budgetary Review
- School Business Manager Service
- Security Collections Service
- Sickness Absence and Maternity Leave Pooling Arrangements for School Staff (Financial Management of scheme).

Key to the delivery of our traded service to schools are the following principles:

- Ensuring it is simple and easy for schools to be able to access the service and get the answers they require



- Maintaining the Face to Face service delivery the schools currently have, building on this service with resilience and expertise from within Capita plc
- On Day 1 we will have the same people delivering the same services in much the same way as is delivered now
- We will work with the schools to develop and deliver services which meet their requirements. We will design new ways of working together using a tried and trusted 'co-design' approach which is focussed on delivering the needs of the customer.

The face to face service will be delivered consistent with the other Council based face to face services, where the Schools will have a named contact who will be their direct support and who will work on site with those schools when required.

As part of the services we deliver to schools, we will offer a catalogue of additional services which the schools are able to select from. This includes:

- Access to a schools portal
- On-line service catalogues
- Access to the wider Capita Procurement team.

Specific to the Finance Service, we will offer access to the Integra finance system as an option for the schools to take, should they wish to replace their existing finance system, providing them with a greater level of functionality. This will also allow the cost of producing their accounts to reduce the cost for the schools.

Through the use of a shared platform will allow us to provide an offsite invoicing function, take up of this option will be for those schools who are currently using the service and those that may wish to take up the service in the future. Where the processing of invoices is carried out centrally this will allow for a cheaper cost of service to be provided.

We will also increase access to technical resources to support the business development and increasing the volume of traded services to schools, public sector organisations and other businesses.

The range and scale of contracts undertaken by Capita is such that we have extensive Subject Matter Expertise in finance and the other services offered to schools. Our financial expertise includes finance and pension administration, budget setting and management, fund management, insurance, and treasury management across the local government and private sectors. This means we can bring innovative approaches to managing and advising on school finances and offer levels of financial expertise far beyond that currently available to schools. It also means that we can, where appropriate, bring in a short term resource with specific expertise to deal with a particularly difficult matter.

The fundamental principle to our school offerings is giving the schools choice about what services they use, and how they want them delivered.

## **2.23 FIN023 SCHOOLS ACCOUNTANCY**

The Schools Accountancy team will sit within the Technical SME team within Barnet, working closely with the schools to ensure accurate information is maintained, including maintaining the budgets.

The School Accountants will be responsible for reviewing the forecast with the school to ensure it is deliverable and will escalate concerns they have regarding the financial stability of the schools plan.

The Accountants will also ensure that a CFR return is completed within the agreed timescales for all schools which are maintained by the Council.

## **2.24 FIN024 SCHOOLS FUNDING**

The Schools Service Experts will distribute the funding reports via the Council's websites and will provide advice to schools on funding matters.

Those schools wishing to convert from independent to maintained status will be advised of their budgets in advance of their conversion, and we will work closely with them during this period to ensure they understand all the requirements of them, and the services we will provide.

## **2.25 FIN025 NORTH LONDON WASTE**

Where required we will attend the Waste Strategy board in support of the partnership, those attending will be of an appropriate seniority to represent the S.151 Officer as requested.

## **2.26 FIN025 CIPFA TRAINEES**

We will proactively support all members of the finance team who wish to study for any qualification, including CIPFA.

# **3 STAFF**

Staff development is a key principle within Capita. We will design development training plans designed and delivered to cover specific work stream requirements.

As well as providing support within the Finance team, staff will also have access to the wider Capita Finance function, and the support and advice this provides. We ensure the teams are working together to address both joint and specific issues, using our experience to ensure all matters are resolved quickly and in the best interests of the Council.

Our team of Finance staff have a range of backgrounds and qualifications, some gained in the private sector, such as CIMA, ACCA and AAT, others gained in the public sector, e.g. CIPFA. Within Capita Finance, we also have a large user group forum, where we bring together all the different Finance Managers to review different work practices and problems from other contracts. This forum is a great way of bringing the teams together and allows the teams to support each other, discuss problems and resolve issues.



Transferred staff will receive specialist training to support them shift their focus from processing to interpreting, and working in partnership with Council delivery units to drive financial performance. Staff will also be provided with support to achieve professional exams and maintain CPD requirements.

We commit to ensuring that our employees have the necessary skills and competencies to achieve their objectives, be successful in their roles and progress in their careers. These will directly reflect the cultural values of the Council and the Partnership.

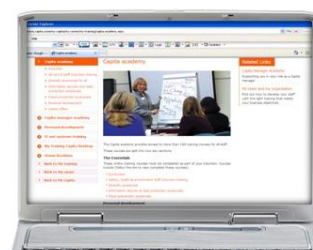
People are at the core of our business and our success. We have a comprehensive and fully integrated, competency-based performance management framework that focuses on ensuring all employees have the skills and knowledge they need to do their jobs to the best of their ability.

This is underpinned by a comprehensive workforce development approach that makes available learning and training to meet both generic and service-specific development needs. It is focused on ensuring the right balance and delivery method for:

- Organisational Development
- Recruitment and Retention
- Leadership Development (from team leaders to senior managers)
- Talent Management
- Skills Development
- Pay and Rewards.

We will provide:

- **On-the-job training**, including training on the core service application and IT systems
- Capita Academy for **core skills training**
- **Legislative training, regarding** assessment and policy
- **Accredited learning at all levels** (e.g. we have supported 60 employees through CIPD qualification, 40 employees through advanced certificate in payroll techniques, and 70 team leaders to achieve Institute of Leadership and Management (ILM) First Line Management level 3)
- **Engagement with Capita peer group community** and opportunities for secondment and/or engagement on special projects
- Management Academy, delivering **effective management, coaching and support** to encourage staff and team development.



### 3.1 LOCATION

The Business Partnering element of our solution will continue to be based in Barnet, as they will be required to provide the Face-to-Face support to the Council, working directly with the retained Council staff. We will also be basing the technical Service Experts in Barnet, as they will be supporting the consolidation of the Council's accounts and producing reports at a consolidated Council level. They will also be supporting the business partners in preparing costing templates and models.

Barnet based Service Experts and Business Partners will be based in their current locations until November 2015. After November 2015, as part of the Estates solution, there will be an Agile Workplace project and staff will be based close to the Council staff they support. Details of the Agile Workplace project can be found in our Estates Method Statement and Transformation Method Statement. We anticipate the Finance team remaining in NLBP2, however the Agile Workplace project will consider the location of staff between NLBP2, Barnet House and Colindale. Barnet based finance staff will also be able to work flexibly across all Council sites as part of Agile Workplace.

Elements of the Service will be delivered remote from Barnet. This includes using Sheffield for our Pensions accountancy work and Central London for the Sector advice.

The virtual processing capability is currently planned to be delivered primarily from an existing Capita Finance Centre of Excellence site in Swindon and our digital mailroom in Darlington, where we can take advantage of economies of scale to deliver greater savings to the Council.

## 4 SUPPORTING TECHNOLOGY

Technology plays an important role in the provision of the finance service, with a number of different platforms and reporting tools being used as well as multiple interfaces both in and out of the department.

Our technology strategy will provide:

- End to End P2P solutions, integrated with the procurement workstream to streamline the requisition process
- Hartlink will be used to manage the pensions accountancy, in particular ACCLINK, the accounting module of this system
- Profiled on-line budget setting tools (Axiom)
- New integrated finance system (Integra)
- Use of Intelligent Character Recognition (ICR) Software for invoice scanning and workflow
- Implementation of digital mailroom for incoming post, and cheque scanning and banking.

As part of any system implementation, we will work with the Council's internal and external auditors to ensure that all the financial processes adhere to the agreed control mechanisms, and are also transparent and auditable.

## 4.1 AXIOM BUDGET MANAGEMENT SOFTWARE

While most performance management technologies look to replace Excel with complicated and less capable technologies, Axiom EPM embraces and extends Excel, eliminating all of its known deficiencies (no cutting and pasting, linked spreadsheets or macros).

We expect all Axiom functionality which will allow for the profiled budgets and forecasting to go live in April 2014. This will allow the Council to produce profiled budgets and forecasts at cost centre level, on a monthly basis. The system will be fully integrated with the HR system and the Integra finance system.

Axiom EPM Excel integration allows for a speedy deployment via either the Excel or Web client, requiring minimal training and change for end users. It allows users to work in a familiar environment whilst gaining all the benefits you would expect from a comprehensive planning tool, including:

- **A single, trusted data source** - offering the ability to integrate data from any source system for use in planning, reporting and analytics activities
- **Responsive to individual needs** - unlike other solutions dependant on IT for scripting business logic and designing reports, Axiom EPM empowers Finance to own and manage changes to the application, allowing for tailoring to Barnet's requirements
- **An extensive planning platform** - not a hard-wired solution, allowing users to easily tailor modelling views by division or line-of-business
- **Improved reporting and analysis** - wizards allow users to easily create reports which can be formatted to suit any individual requirement and includes the ability to drill right down to transaction level
- The ability to create **compelling dashboards and data visualisation** that bring focus to the key areas of the business. Alerting, trending, benchmarking, highlighting using a variety of chart types and other visualisation tools that are easy to interpret and understand.

Sample reports are shown below:

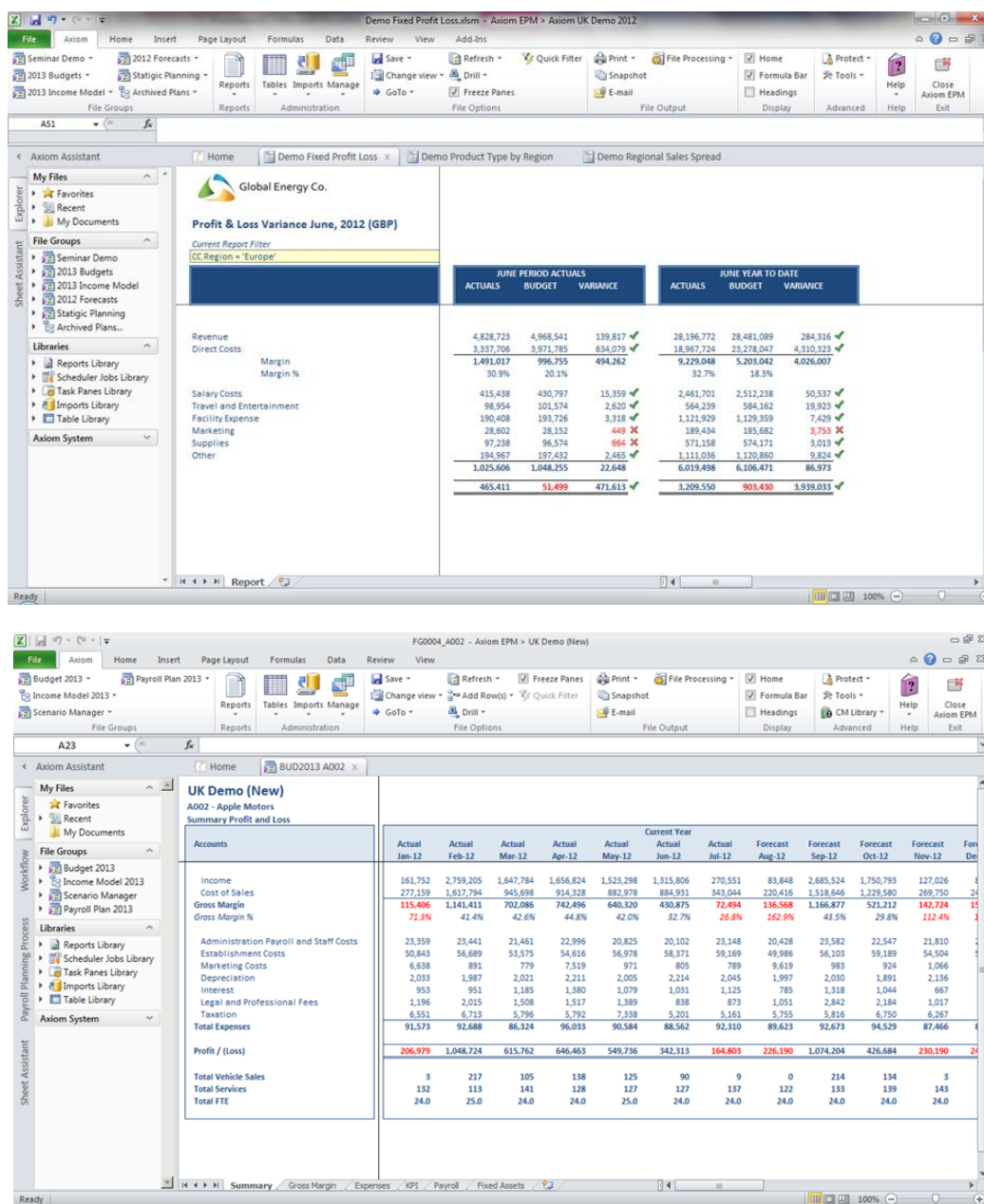


Figure 5 - Sample Reports

## 4.2 INTEGRA FINANCIAL MANAGEMENT SYSTEM

The Council's current Finance System (SAP) has had significant investment, both in terms of time and money spent on it as part of ongoing SAP Optimisation projects. Feedback from the Council users is that the SAP system is not as user friendly as they would like. Following a review with Capita's system experts, we have decided to replace SAP with a new Finance system, Integra, for the following reasons:

- Lower Total Cost of Ownership through:
  - Lower ongoing unit price

- Lower cost of change - both routine and major change – typically 25% of the cost of SAP
- Intuitive self-service capability - a true web application whilst the core application uses a client/server model. This allows us to drive effective self-service through our proposed Employee Portal without incurring a significant SAP optimisation cost.

Integra Open Enterprise (Integra) is a financial and e-business software suite based on a modular design and is able to provide high levels of scalability for the Council.

Integra functionality includes all the standard financial modules including GL, AP, AR, cashbook, but also includes the E-Series web management tool. This allows users in the organisation to access the Integra system via a web interface to approve invoices, raise sales orders and review the actuals.

In delivering efficient and effective financial and procurement processes, Integra uses automated workflows to increase agility, control, and speed, reducing paper flow and data entry to an absolute minimum.

Integra uses automated workflows to increase agility, control, and speed, reducing paper flow and data entry to an absolute minimum. One of the benefits of the Integra system is that it is highly intuitive and easy to use, allowing for distributed access where needed, providing users with immediate access to relevant Business Information wherever it is required. This enables the most informed decisions to be made within the timeframe demanded, using accurate, timely and relevant data.

One of the main benefits offered by the Integra solution is that it is designed and developed by our own team based in Letchworth, Belfast and Dublin.

Non financial users in the Council will access the system using the in-built e-Series, which is a suite of 'self-service' applications, which is provided in a user-friendly and intuitive format with consistency across all functions.

The integrated and on-line nature of the application, coupled with improved business workflow processes and user-friendly enquiry and report generation facilities, support faster access to management information and improved decision making.

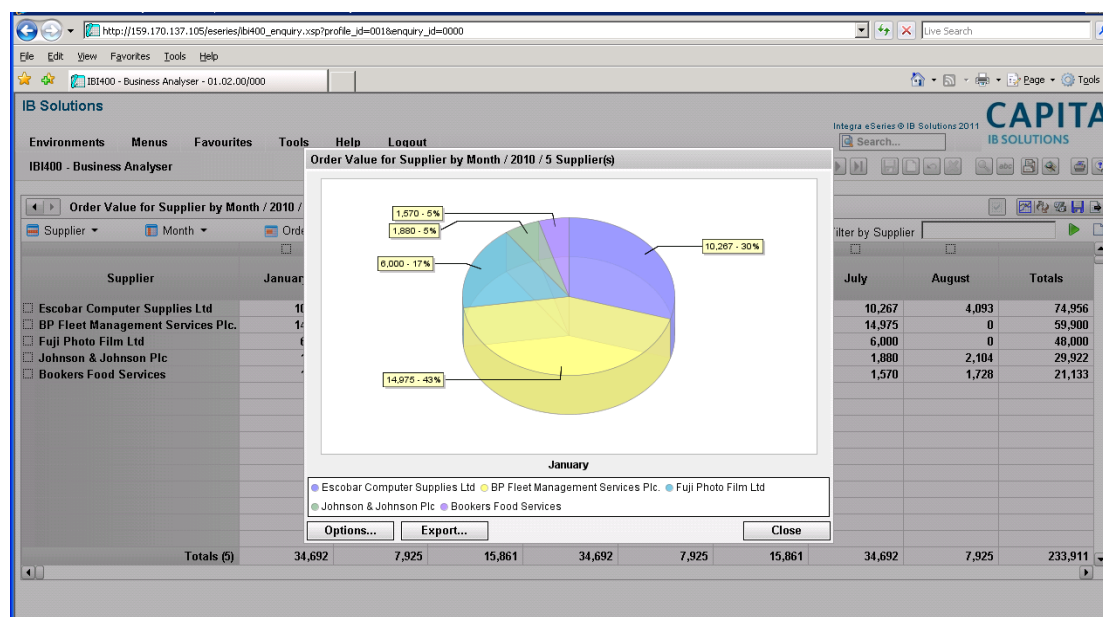


Figure 6 - Integra Screenshot

Integra includes the following fully integrated modules:

- General Ledger
- Creditors
- Cash Management including Bank Reconciliation
- Debtors
- Budget Forecasting and Process Management
- Integration to the PECOS Purchasing System
- Fully Integrated Crystal Reporting Suite with comprehensive library of reports
- Fixed Assets Module.

We recognise the increased workload for the Finance Department when a new system is implemented and we will seek to minimise the risk to the Council by:

- Bringing additional experienced resource from Capita IB Solutions, who developed the software, to ensure a smooth implementation
- Provide additional finance resource and expertise to support on the technical elements of the delivery
- Minimise transformation work during this period, so staff can focus on the deployment of the new system.



More information on our transformation activity can be seen in section 6.5.3 and the detail is included with the Transformation Plan in the Transformation Method Statement.

By implementing both the Integra and Axiom modules the budget holders will be able to access more information over the web, but will also be able to forecast their budgets more accurately. The links to HR and finance will ensure the information populated is accurate and provide one source of information for managers when controlling their spend.

### 4.3 DIGITAL MAILROOM AND E-INVOICES

Core to our service delivery is the automation and streamlining of processes where possible, including removing the flow of paper from around the Finance Department. Our solution for invoice automation supports most of the available ways of sending and receiving supplier invoices, both electronically and physically.

We will set up a PO Box for suppliers to send invoices to, which will allow for receipt into our mailroom, where it will be scanned using our ICR software and key lines of data will be extracted by the software. The software does not require templates to be set up per invoice, but is able to identify the key fields no matter where they are on the invoice.

In the short term invoices received into Barnet will be forwarded onto the mailroom to allow for processing, and a letter will be sent to the supplier informing them of the change in address.

Regardless of the invoice format, we will extract the information and automatically match this against the relevant purchase order within the finance system. If there is a 100% match, the invoice will be posted for payment automatically. If there are any errors, or if there is no purchase order to match against, the invoice will be sent for approval within the workflow of the finance system.

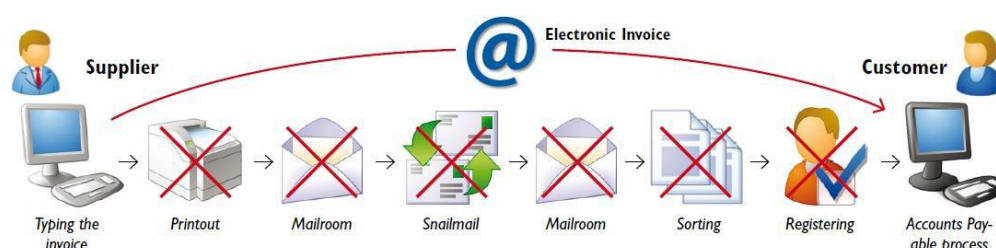


Figure 7 - Electronic Invoicing

## 5 REPORTS, PERFORMANCE MANAGEMENT AND QUALITY ASSURANCE

### 5.1 PERFORMANCE MANAGEMENT

Performance will be reviewed monthly in line with the over-arching Governance arrangements as outlined in Schedule 12. We will agree the specific contents of the

monthly performance report with the Council which will be provided in advance of the monthly Operations Board.

The monthly report will include all information required by the Finance service specification including KPI and PI performance as well as performance towards the achievements of our sundry debt collection commitments. It will provide early notice of any potential problems with service delivery. Many of these targets will be cumulative so we will also provide details of projected performance for the year as well as details of the quarterly returns submitted.

The Finance KPIs are annual KPIs and therefore the monthly monitoring reports will need to reflect this and ensure there is appropriate MI included to allow the Council to take comfort in the ongoing trajectory towards completion achievement KPIs. This may include:

- Updates on control account reconciliations
- Audit timetables.

We will hold regular relationship management sessions with each stakeholder group to review performance, discuss any issues or areas of improvement, as well as tracking benefit realisation as per the agreed plan.

Our reporting and performance methodology will be aligned to the outcomes which have been identified by the Council on an outcome basis. These include

- New relationships with citizens
- One public sector
- Relentless drive for efficiency.

## **5.2 MANAGEMENT INFORMATION**

We will produce clearly defined system generated reports allowing for ease of production and more importantly, interpretation. Reporting will be delivered in a number of ways to the Council as a whole, by directorate, and by service.

Examples of the types of reports we would produce, over and above the standard monthly reports include:

- Goods and services procured outside of agreed purchasing protocols, this could be:
  - Purchasing through non preferred suppliers
  - Goods and services not being procured through Purchase ordering or agreed catalogues, and therefore being approved in arrears
- Budget monitoring reports not being run on a monthly basis
- Provision of a powerful MI and customer insight in conjunction with the Insight Engine, in a consistent and agreed manner.



Self Serve Reporting - Through the Integra system, Service Managers will have access to a finance dashboard, providing them with a range of financial information including budget monitoring reports, forecast information and other financial metrics such as debt monitoring and outstanding workflow items. Utilising the Finance Training provided, managers will be able to carry out basic interrogation and interpretation of information provided in these reports. Until Integra is implemented the business partners will continue to support the service managers in the production of their reporting in the same way they currently do.

### 5.3 QUALITY ASSURANCE

Fundamental to the delivery of top quality financial advice will be the information on which decisions are made. We will ensure that the underlying financial data is accurate, a critical component to the provision of advice at any level.

We will ensure we apply appropriate segregation of duties to tasks, with reconciliations being completed in a timely manner and signed off by senior members of staff.

Through our business partnering arrangements, we will support Non Finance managers to understand and interpret the numbers in such a way as to allow them to make clear decisions in the knowledge of all the financial implications.

In order to ensure that Financial Services fulfil this critical requirement, we will implement and co-ordinate a range of measures to provide assurance to the Chief Finance Officer, Audit Committee, CRC and wider stakeholders that the service is effective and reliable. This will come from a range of internal and external levels of assurance as summarised in the diagram below:



Figure 8 - Levels of Assurance

#### 5.3.1 INTERNAL ASSURANCE

We will implement a number of key areas of internal control:

**System controls** - We will ensure the system controls within the Integra system are reviewed to provide assurance that transactions processed on the finance system are done so in line with Council policies - this will include implementing data control

on items which can be viewed to enforce the use of Purchase orders. We will also carry out an interim review of the controls in the SAP system to ensure they are appropriate whilst the new system is being implemented.

**People Controls** - These will be achieved through enhanced training programmes provided to the staff as well as peer reviews with senior managers. We will also ensure there is segregation of duty in key areas.

**Process notes** - In order to ensure that processes are carried out in line with the Council's policies we will create fully documented process notes and procedure charts for financial business processes. These will be used to support in the training of staff as well as to assure audit functions (see below) of the controls and measures in place within Financial Services. We recognise that particularly where areas of Finance have been outsourced there can be queries and concerns over the lines of demarcation around hand-off points between the Council and Capita so it is important to get these agreed at the outset.

**Self Assessment Reporting** - Overarching the system controls and procedure notes, we will regularly report to the chief financial officer and audit committee of any issues or concerns around the effectiveness and reliability of financial services, providing updates on the measures being taken to address these areas. This level of 'self audit' will provide the officers responsible with a reasonable level of assurance of the effectiveness and reliability of the services.

### 5.3.2 EXTERNAL ASSURANCE

We have experience of working closely with the external auditors and realise that the production of good quality working papers, delivered to the agreed timetable, are key to allowing the auditors to carry out their judgement.

In order to provide further assurance to the chief financial officer and audit committee, we will ensure that a range of audit testing and compliance is provided by parties independent of the finance service.

As well as working closely with the auditors, we will also implement further additional controls through working with the following teams:

**Capita Group Risk** - Within Capita, we have a team dedicated to providing assurance on the services we deliver. This service will be applied within Barnet to provide assurance that the policies and procedures which we are contractually obliged to follow are being adhered to.

**Internal Audit** - In addition to Capita's own internal Group Risk function, the Finance Services will be open to internal audit examination at any time requested by the Council. This will provide assurance to the chief financial officer and audit committee from within their own organisation of the effectiveness and reliability of services.

**External Audit** - The Finance Services will be subject to a range of external audits, including HMRC audits, statutory financial audits and many more. These will be conducted by a range of external parties with no connections to either Capita or the Council, who will provide a completely independent opinion of the effectiveness and reliability of Finance Services.

## 5.4 DELIVERY BENEFITS AND CONTINUOUS IMPROVEMENT

Capita has a proven track record of delivering benefits and improvements on an on-going basis over the life of our contracts, and this is something we commit to continuing to deliver for the Council.

### 5.4.1 DELIVERY BENEFITS

Our Operating model will continue to deliver benefits to the Council, supporting it deliver its objectives, including:

TOOLS	EXAMPLE OF THE BENEFITS TO BARNET
Enhanced Self-Help	By utilising greater self help, Council staff will be able to answer questions directly.
Enhanced functionality	The Axiom system will allow the Council to deliver profiled budgets, updated into the FMS, allowing for budget holders to take greater ownership of their budgets. This will also be easier to review by the Business Partners as they will be able to see the variances which are being forecast.
Data Management	By enabling more budget holders to access Self-Service and increasing its functionality, users will be able to see their budgets and cost centres take ownership for it.
P2P	Streamlined Purchase to Pay process, integrated with the Procurement team, enabling identification of spend with non-preferred suppliers.
Visibility	Greater financial visibility due to enhanced reporting systems.

### 5.4.2 CONTINUOUS IMPROVEMENT

Continuous improvement is ingrained in the Capita ethos, and we will continuously improve the delivery of the finance function over the life of the contract.

We have identified in this method statement our approach to delivering the service over the first 2 years of the contract. This is based on current best practice solutions which are available, which may be outdated in a few years' time.

We are aware that in order to deliver the best service to Barnet Council we need to ensure that the service being delivered continues to evolve, improve and ultimately meet the needs of the business it supports. To deliver this, we will develop business cases for continuous improvement and will expect to agree updated annual service delivery plans to take account of service developments.

The future needs of the finance service are likely to change with advances in technology and to meet the requirements of the Council at that specific time. It is difficult to say for certain what this will look like in the future but we commit to

ensuring the finance department delivers a service which continues to be best practice for the industry utilising technology to support not just the department, but the wider business. Such improvements include:

TOOLS	EXAMPLE OF THE BENEFITS TO BARNET
Embedded Continuous improvement	We will embed continuous improvement as part of the day to day operation of the finance team. We will nominate improvement 'champions' within the team who will compile improvement plans and suggestions as part of their role.
Best Practice	We will strive to deliver best practice services, based on the performance of our contracts and external benchmarking.
Technology	Due to the nature of the services Capita delivers, we are in a position constantly review new technology and how it can best be utilised to benefit our clients. We are also in a position to negotiate competitive pricing for services which in turn will ensure the costs to Barnet are attractive.

## 6 IMPLEMENTATION PLAN

We have a wealth of experience of delivering finance transition and transformation projects within our existing client portfolio. Within these services, we have delivered a smooth transition with no disruption to service. We have also implemented major transformations to services that enable:

- Risk mitigation, utilising clearly defined and monitored projects with clear accountability supported by dedicated resource
- Delivery of improvements to service performance for users within a structured project plan.

Our proposed approach to transition will be to safely take on operational responsibility for the delivery of the service, guaranteeing no drop in the quality or continuity of the service. This will be achieved by:

- Using the period from Preferred Bidder to transfer to make thorough, detailed plans and mobilise our team
- Implementing minimal change at the point of transfer and further mitigate any risk from change by introducing additional skills, technology and processes at the earliest opportunity
- Establishing new and improved ways of working from the point of transfer to achieve higher levels of performance quickly and safely and set the foundations for continuous improvement and transformation

- Developing detailed development plans that will deliver our commitments to improve services.

Throughout our transition and transformational journey, we will work with the retained team and wider Council staff to ensure full knowledge transfer. This transfer of knowledge is critical to the success of the overall transformation programme. During our transition planning, we will work with you to identify key staff at all levels whose expertise and knowledge is critical to the success of the contract as well as ensure they are retained for the implementation period and beyond. We will utilise these key transferring staff in responsible roles within the project workstreams and to work alongside Capita implementation team members.

This will enable us to directly use their knowledge and expertise to find solutions to problems or issues experienced during transition. Our experience has shown that this helps motivate the staff concerned, increases the likelihood of their retention by virtue of the close co-operative working, and expedites two-way knowledge transfer. It also ensures that through joint working, a strong and dynamic team is rapidly formed.

We believe our transition process and transformational roadmap will provide the means to transform the service within a realistic timescale without jeopardising the stability of on-going delivery. All component projects of our transformation will be based on tried-and-tested solutions that we have implemented elsewhere and aligned to ensure they meet the Council's vision and strategic priorities.

## 6.1 HIGH LEVEL IMPLEMENTATION PLAN MILESTONES

From Day 1 our primary focus will be to continue to deliver the Finance service at the same level as is being delivered today, minimising risk whilst supporting the transferring staff.

Once stabilised we will undertake our proven approach to transformation, which includes embedding Capita's operational approach, whilst seeking to identify 'quick wins' to be implemented.

DATE	KEY ACTIVITY
<b>Pre Contract Award</b>	<p>Scanning Solution - We will use the time prior to Service Transfer Date (STD) to set the wheels in motion to allow the utilisation of our scanning facility and route all incoming post to our already existing Darlington site.</p> <p>During this period we will undertake a number of activities including:</p> <ul style="list-style-type: none"><li>▪ Agreeing the format of the output file from the scanning solution</li><li>▪ Building and testing the solution.</li><li>▪ Setting up a dedicated PO Box for all incoming Barnet mail.</li></ul> <p>During the period following the Agreement Date and STD, we will engage with suppliers to inform them of the planned changes and explaining how they need to raise invoices in order to ensure they get paid appropriately.</p>

DATE	KEY ACTIVITY
	<p>Communications will also be drafted and circulated to staff in retained services to ensure they are also aware of the changes going on around them.</p> <p>Following implementation of the mailroom, we will continue to monitor compliance, contacting suppliers as necessary to ensure they understand the processes and the expectations of them.</p>
<b>Year 1</b>  <b>Apr 2013 - April 2014</b>	<p>Implement Integra Financial Management System and Axiom business planning tool.</p> <p>By April 2014, we will replace the SAP system with the Capita owned Integra financial management system.</p> <p>We will implement Axiom Business Planning tool at the same time as Integra in order that we provide a suite of new products, allowing retained budget holders to be trained on how to take advantage of the new systems in a single training programme.</p> <p>During the implementation we will work with the staff who transferred from the Council, and nominated users from the wider Council community to:</p> <ul style="list-style-type: none"> <li>▪ Design and build the new finance system and the embedded workflows.</li> <li>▪ Train the users on the new system.</li> </ul> <p>Confirm the April 2014 go live date to reduce the risk to the service as much as possible.</p>
<b>Year 2</b>	
<b>Feb - Apr 2014</b>	<p>Training for non-finance staff in new processes - This will apply specifically to the tasks and functions that are to be delivered from the processing centre to enable us to achieve maximum economies of scale.</p> <p>Training will be steadily introduced and targeted to the individuals needs and learning styles. We recognise that not everybody learns in the same way and we will adopt our techniques to suit individuals. During this period, we will:</p> <ul style="list-style-type: none"> <li>▪ Complete gap analysis review</li> <li>▪ Identification of gaps in learning</li> <li>▪ Deliver training, via 1:1 sessions, workshops, group learning activities, shadowing, dependant on the learner.</li> </ul>
<b>Jun - Aug</b>	<p>Supplier Portals to facilitate self service - Throughout the period of Jun to Aug, we will develop and build Supplier Portals to facilitate</p>

DATE	KEY ACTIVITY
<b>2014</b>	<p>self service and channel shift customers.</p> <p>The information and data gained from the calls received since contract commencement will allow us to gain a complete understanding of the types of queries we are receiving and therefore tailor the portal to ensure we are covering the most frequent and highest volume of queries.</p> <p>Throughout the design of the portal, we will engage with Suppliers to ensure that the Portal is simple, intuitive and easy to use; We will set up roadshows, feedback sessions and workshops, encouraging Suppliers to 'play' with the portal and offer ideas for improvement.</p> <p>During the implementation period, we will:</p> <ul style="list-style-type: none"> <li>▪ Design, Build, test (Including User Acceptance Testing) and sign off the Portal</li> <li>▪ Engage with Supplier to understand what they want from the Portal</li> <li>▪ Communicate with Suppliers, creating a 'how to guides' and offering a helpdesk function.</li> </ul> <p>The planned go-live date is August 2014.</p> <p>Following implementation of the portal, advice and guidance will continue to be available from the Contact Centre staff. Each member will receive training, enabling them to talk Suppliers through the use of the portal and act as a helpdesk facility.</p>
<b>Sep - Oct 2014</b>	<p>Shift to e-invoicing service:</p> <ul style="list-style-type: none"> <li>▪ Test and sign off functionality within the system</li> <li>▪ Communicate the changes to suppliers and retained Barnet staff.</li> </ul>
<b>Nov 2014</b>	<p>Expand traded services to other bodies</p> <p>Continuous improvement embedded to include:</p> <ul style="list-style-type: none"> <li>▪ Changes to legislation</li> <li>▪ Updating solutions and systems to reflect best practice where applicable.</li> </ul> <p>Implementing on-going service reviews with the department and the Council on an annual basis to agree forward improvements for the service.</p>



## 6.2 PROJECT PLAN

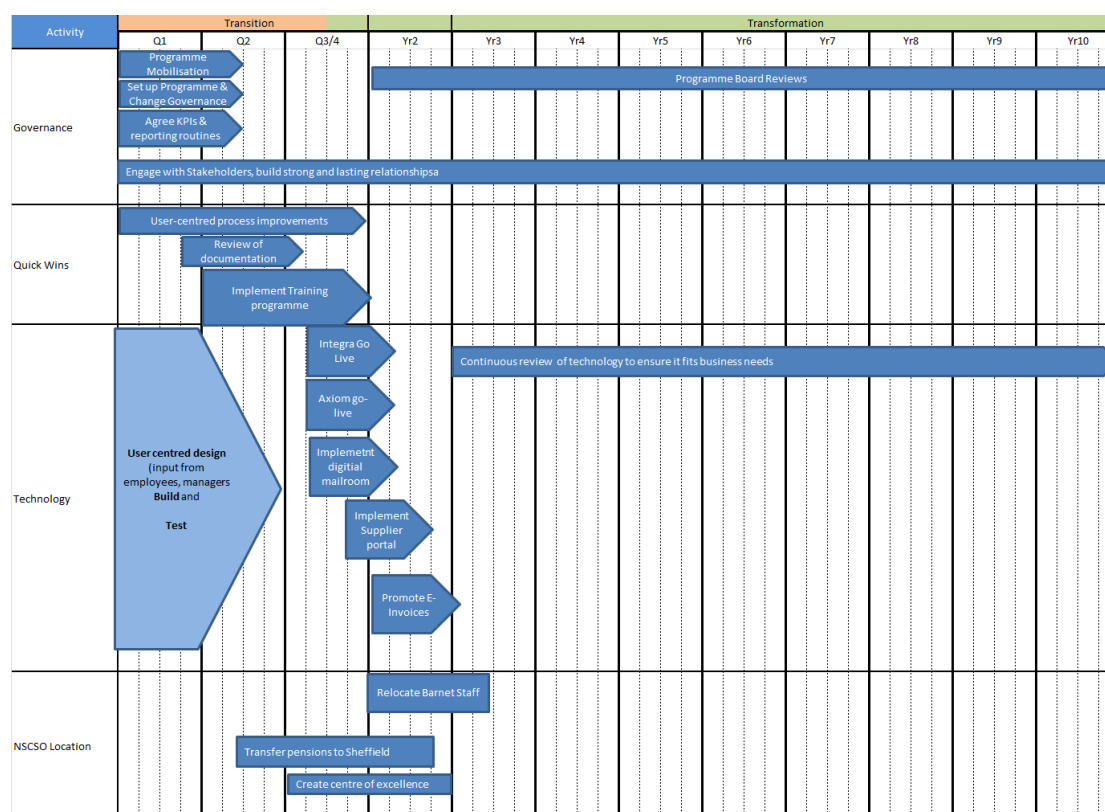


Figure 9 - Project Plan

Our project plan is split into four distinct areas:

**Project Governance:** includes planning and setting up the governance structure in Transition and then continuing throughout the life of the contract as part of the partnership management and support mechanisms to ensure the services meet the needs of all stakeholders (Council, customers, retained staff and Capita employees).

**Quick Wins:** commences in Transition and includes identifying opportunities for process improvements to enhance service delivery to customers and streamline processing timelines.

**Technology:** the user centred design, build and testing of all the technologies will commence in Transition and take six to 12 months. The Technology includes the Integra Financial Management System and the Axiom business planning tool.

**NSCSO Location:** Our property proposals include the implementation of an Agile workplace programme across the Council during 2013/2014 to identify and enable people to work more flexibly and from the best location suited to the task being performed. This will allow Capita to reduce the demand on property across the Borough and, in turn, exit NLBP 4 in 2015. The Business Partners and Service experts will be relocated in Barnet House and have the ability to work from outlying Council assets as and when the need arises.

## 6.3 TRANSITION

Our detailed approach to service transition and transformation for all services is set out in the Transition Method Statement and the Transformation Method Statement. For the Finance service we commit to developing our knowledge and understanding of current service delivery by:

- **Undertaking** a detailed operational review of the service to build on our understanding to date and ensure we fully appreciate the way in which the Finance service is currently provided
- **Reviewing documentation and agreeing hand off points:** it is critical that all current processes and procedures for the delivery of the service, including all known exceptions across the Council are documented. This is to ensure that all knowledge is captured and no mission-critical information remains tacit and at risk of being lost through transition. It is also very important that at an early stage of the transition we are able to agree the hand off points between ourselves and the relevant Council services
- **Holding one to one meetings:** undertaking regular one to one meetings with the members of the service to ensure that they feel fully supported throughout the transition and are kept informed with regards to any changes made within the team regarding system, process and structure.

All of our transition programme activity will be subject to a rigorous review and implementation plan, which will be agreed and signed off prior to go live, including a review of the risks associated with the transition

## 6.4 TRANSFORMATION

The move to our target operating model requires significant change for both transferring staff and retained Council staff. Through the implementation of a new finance and budgeting system the managers will change the way they complete financial transactions

Our experience of working on other similar transformations means that for Barnet we will

- Adopt a user centric design approach to engage service areas to understand the specific issues they face and how these can be addressed. This is outlined earlier in more detail
- Implement a detailed communication programme which will explain the benefits of the new operating model to all the managers, allowing them to raise concerns and provide feedback to the direction of travel
- Use our experience from elsewhere and test the relevance of these against the Barnet requirements. We do recognise that 'one size' does not fit all, so will only implement changes where we believe they add value
- Ensure there are detailed process and procedure notes available to help users in running their day to day business

- Implement detailed training programmes to support the retained teams to help them understand the benefits which can be derived from the new ways of working.

Throughout the transformation programme we will provide dedicated resource to enable service developments to be implemented whilst maintaining BAU service performance.

## **6.5 TRANSFORMATION PROGRAMMES**

We have identified a number of key transformation programmes which we will be integral to the implementation of our target operating model.

### **6.5.1 TRAINING OF RETAINED MANAGERS**

Our Learning and Development Academy for Barnet will deliver a comprehensive management development programme consisting of essential generic and tailored workshops managed via a bespoke learning portal. We will design a Learning and Development Programme that will offer retained Barnet Council Managers (i.e. those who are not within the scope of NSCSO Services) the opportunity to enhance their competencies, knowledge, skills and behaviours to make a measurable difference to their performance.

Specific to the Finance Service, we will support the training of retained managers by providing training programmes on:

- An introduction to the forecasting formats, how to navigate, use search functionality, and how to get support and advice
- An introduction to finance, explaining the COA structures, reporting timetables and expectations on the profit centre manager
- The different types of journals which can be used to give them a better understanding of the finance function
- How to order goods and services, how to run queries and interrogate the system
- Provide leaders and managers with generic and essential skills required to lead and manage their teams through the challenges of the changing organisation
- Ensure managers are accountable and responsible for their staff and develop workforce management skills beyond the basics
- Concentrate on the manager's responsibilities in applying key HR and Finance policies
- Ensure managers fully understand what they are accountable for and are equipped with the required knowledge to do their jobs and with tools and skills to transform their services
- Prepare managers for commercial engagement, particularly commissioning and contracting

- Add additional investment through the Learning and Development Academy, offering senior and mid level managers tailored development (i.e. classroom, modular, online forums, coaching, blogs, self directed learning).

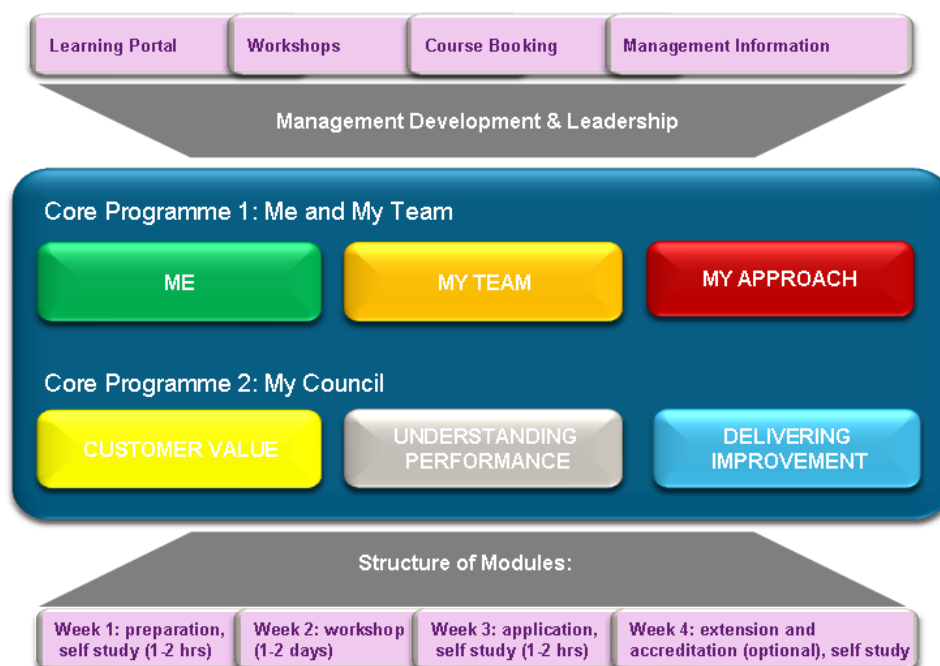


Figure 10 - Example: Barnet Learning and Development Academy

## 6.5.2 AXIOM IMPLEMENTATION

As part of our user-centric design, the Axiom planning tool will be implemented using an 'iterative design process'. This allows us to take a phased approach to the development, where we can start building and testing smaller elements rather than have to design the solution 100% up front. Axiom's flexibility allows for design changes to be made throughout the build phase, with minimal impact on overall delivery timeframes.

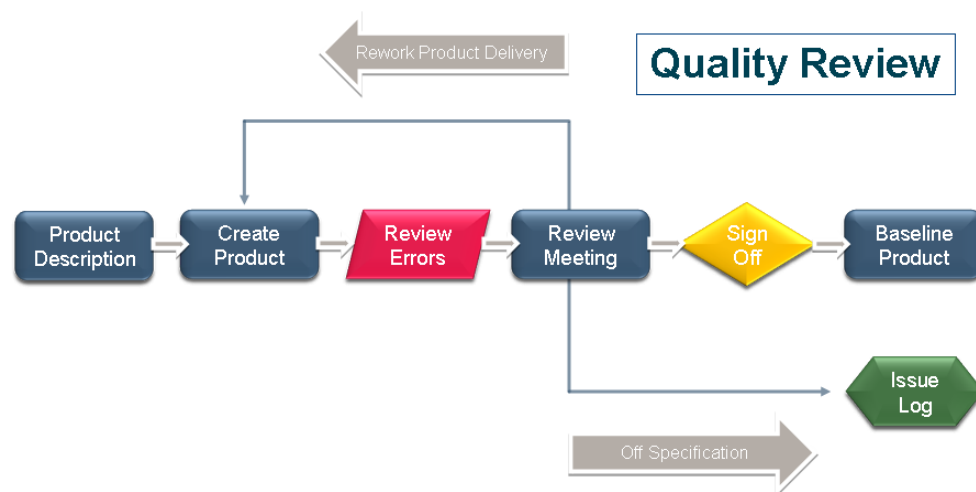
In the design, we will look closely at what the customer is doing in their existing process, factoring in aspects that currently work well and look to make significant improvements to process and functionality, getting the most out of the Axiom EPM product while improving data integrity and enabling a faster close. Axiom EPM's close Excel integration allows us to use any existing Excel documents for budget input, drivers and reports as a starting point for the build. By using existing documents, development time can be significantly reduced, as formats and calculations can be copied, while the end users get a familiar feel for the product and this helps with deployment by reducing training requirements and increasing end user acceptance.

## 6.5.3 INTEGRA

For over 20 years Capita IB Solutions have been successfully implementing Financial, Procurement and, more recently, eBusiness solutions. As a result we have developed the Integra Total Implementation Methodology (ITIM), our tried and tested framework for deploying the Integra system successfully. To minimise the risks associated with a major financial system change we will supply a professional and

experienced ITIM Project and Support team to implement Integra using this methodology.

Below is a diagram outlining the quality review process followed within ITIM.

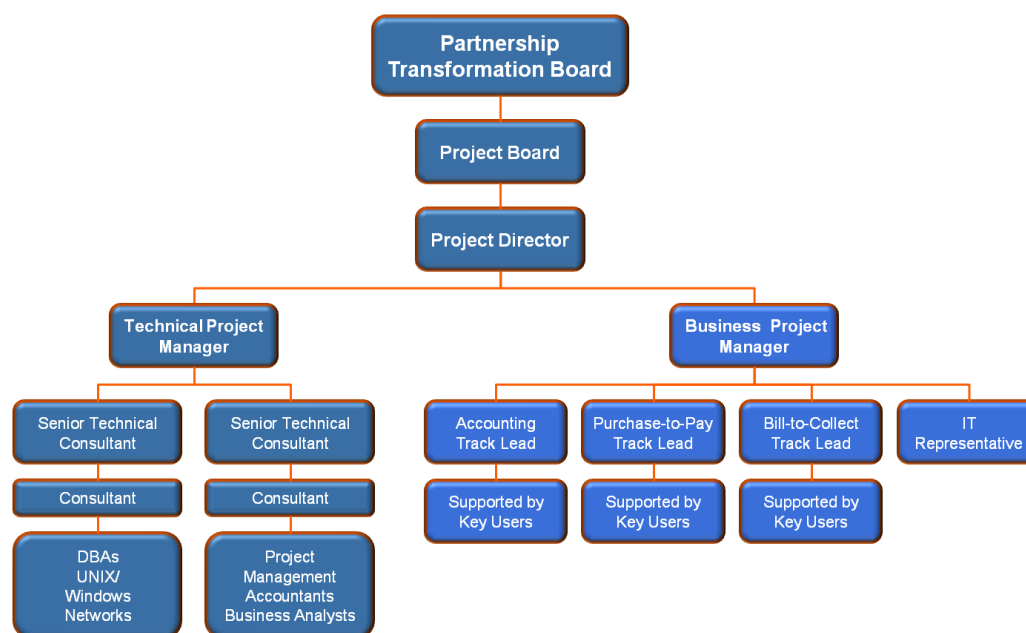


**Figure 11 - Quality Review Process**

Our implementation consultants have a reputation for delivering projects to successfully meet our customers' objectives both on-time and within budget. This is vitally important when delivering a new solution to the workforce. Capita project management functions are ISO9001 and TickIT registered. All of our project managers are PRINCE2 trained and certified, with many years of experience.

Our internal quality procedures, drawn up in line with our company wide ISO9001 accreditation, clearly define the project documentation required for all ITIM projects. These procedures include guidance to describe the proper management of documents to describe each product, together with version control. The guidance encompasses all standard project outputs and these include, but are not solely restricted to the Project Initiation Document, Project Plan, work plans, product descriptions, registers and logs.

Our ITIM approach aligns to our overarching approach to managing transformation, as outlined in the Transformation Method Statement. The specific Integra implementation team structure will be as outlined in the diagram below.



**Figure 12 - Integra Implementation team structure**

A Project Manager is appointed for all projects as part of our standard Project Initiation procedure. They will bring strong leadership to the project, interfacing to our overarching Transformation Team, to ensure deadlines are met whilst managing and levelling where possible any resource pressures.

A risk review will be carried out in line with our Risk Management approach as described in our Transition Method Statement.

For this project we have proposed a two tier approach to training. Training will be delivered to the Authority's core project team by a Business Consultant in a mixture of formal class-room training and one-to-one 'on the job' training. This will allow super users the ability to maintain a level of in-house expertise around their particular function (for example Debtors).

We will also develop a programme of Computer Based Training for the end-user community, tailored to meet the needs of the Council specifically.

## Data Migration

We have specific goals associated with implementing an effective data migration strategy. Primarily, data must be migrated from the source platform to the target platform completely and accurately, and according to company and regulatory policies on information controls and security. This means that there should be no dropped or incomplete records, and no data fields that fail validation or other quality controls in the target environment.

The migration of any information is dependant on the quality of the data in the existing system and also on how the information is to be mapped from one system to

another. Fortunately, through the use of our best practices, technology-driven focus and domain experience, the task of data migration does not have to be such a challenging issue. The process of migrating data will be broken down into a series of well-defined low-level tasks, control metrics and procedures that reduce both cost and time to completion ensuring that it meets the needs of the Council.

Our data migration approach has the following defined phases.

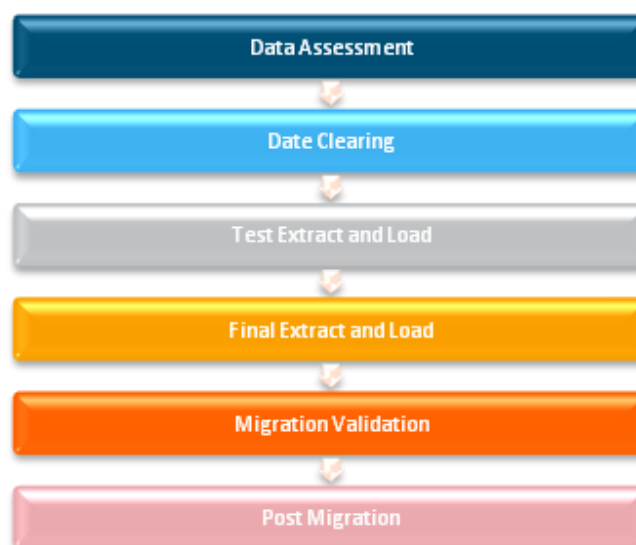


Figure 13 - Data migration approach

#### 6.5.4 BUSINESS CONTINUITY

Our approach to business continuity is closely aligned to the BS25999-1 standard 'Code of Practice for Business Continuity Management' and both our Business Continuity (BC) and Disaster Recovery (DR) strategies are based on key principles that form best practice.

Maintaining business continuity during the period of transition and transformation is something we recognise to be of significant importance to ensure a smooth handover. Detrimental service delivery at this time will have an impact on the confidence users have in the transferred finance service. We will use additional Capita resource to support the transfer, both in terms of providing resilience and support to the day to day service as transferring staff become accustomed to working for Capita, but also staff who are experienced in delivering transformation activities for similar services.

Our systems implementation will be carried out by staff who have detailed knowledge of those systems, thus reducing the risks associated with the implementation. Integra is a Capita owned system therefore we will have ready access to the staff who have developed the system, to make changes and to interface to other core Council systems.

Although day to day risk management activity will help business units identify the impact/likelihood of a risk and the best way to manage that risk, it is widely acknowledged that some high impact risks cannot be predicted, and cannot be easily



mitigated; hence the requirement for business continuity management and business continuity recovery plans.

There is a requirement within the wider Capita organisation that there will be Business Continuity and Disaster Recovery arrangements for Capita sites and all essential systems. The essential approach is to ensure we have robust management and processes to minimise the likelihood of problems. This expectation is enunciated and underpinned by Capita's overarching Information Security Policy Charter.

In broad terms, the business continuity planning for Finance will follow the approach below:

- Understanding the range of risks facing the Authority – assessing the infrastructure to identify any single points of failure or areas of high risk
- The likelihood of each of the risks materialising
- The potential business impacts should any of the risks materialise
- A priority map of core infrastructure services and application services
- Roles, responsibilities and escalation points
- Conditions for invocation of the Business Continuity and Disaster Recovery plan
- Creation of a detailed plan
- Avoidance, minimising and mitigation of risk
- Maintenance – an ongoing cycle throughout the life of the contract.

The Business Continuity and Disaster Recovery plans will include the following:

- How Capita and the Council will deal with the highlighted disaster recovery or business continuity scenarios
- Detailed communication plans and procedures to all involved parties including Council and Capita employees, customers and third parties
- Information technology back-up and recovery procedures to be invoked
- The location and the set-up, including any network links, of any Disaster Recovery site to enable priority staff to work following any Business Continuity/Disaster Recovery Incident
- Review (quarterly) and testing (annually) requirements.

The disaster recovery planning and test process is part of the same pattern as that of Business Continuity. The two aspects are addressed together by Capita, to ensure integration in the overall plan between, disaster recovery planning for IT systems, and business continuity planning for the associated business processes.

The Business Continuity and Disaster Recovery plans and information will be regularly reviewed and updated in collaboration with the Council to take on board any

lessons learnt and to ensure all risks are appropriately identified, assessed and mitigated (for example through the implementation of countermeasures or increasing the resilience of specific infrastructure components).

This information will be stored securely both on and off-site to ensure it can be easily retrieved regardless of the situation.

Every process will be reliant in some way on an activity or item, without which there could be a catastrophic and costly failure of the business. We will ensure that the critical areas are identified, how much we can afford to lose, and how long we can sustain an outage. Additionally, we will ensure awareness of the risks posed to these critical areas, so that the likelihood and impact of a risk event can be reduced and where required a recovery plan produced.

This Business Continuity Plan (BCP) will cover the activities related to an incident within the business operation and covers the following:

- Emergency Response Plans and initial response to an Incident (but not the incident management process)
- Building evacuation and staff safety
- Relocation of the operation to an alternative location
- Recovery plans and operational functional recovery activities
- 'Return to base'.

In particular we will:

- Develop Business Continuity and Disaster Recovery Plans which will address the specific requirements through transition and transformation in consultation with the Council to meet its requirements and incorporate the BC/DR plans already in place for the in scope Support Services
- Develop these in line with our overarching Business Continuity Management Lifecycle which is fully aligned with BS25999-1:2006
- Annually assess the risk of an emergency occurring, and establish a mechanism for reducing, controlling or mitigating its effects
- Ensure that all sites which deliver services have DR and BC provisions in place - including the ability to transfer operational activity to an alternative location (e.g. utilising one of our Finance Shared Service Centres as a back-up site and source of back-up resource as appropriate)
- Enable remote working where appropriate
- Provide system access on an exception basis to another site to ensure continuity of service, during transition we will agree with the Council the minimum number of staff required to maintain service delivery
- Ensure knowledge transfer around the history of organisational change and restructure within the Council

- Through transition, ensure that appropriate levels of knowledge are documented to inform our comprehensive knowledge base including guidelines for matching and new evaluations
- Document all processes to ensure they are available to all service components ensure business resilience.

All IT systems will have appropriate DR and BC resilience plans with appropriate data backup to ensure continuity of service delivery.

## **7 COMMITMENTS**

We commit to developing and delivering services to meet the needs of the London Borough of Barnet as expressed in your Output Specification. Our details commitments are listed in Schedule 35 - Service Provider Commitments.

## **8 KEY PERFORMANCE INDICATORS**

Capita accepts the KPIs and PIs proposed for the Finance service as discussed in Dialogue and these are reflected in Schedule 4 Pricing Mechanism, Part 1.