CHELTENHAM
BOROUGH COUNCIL

Notice of a meeting of
Cabinet

Tuesday, 9 February 2016
7.30 pm
Pittville Room - Municipal Offices

Membership	
Councillors:	Steve Jordan, John Rawson, Rowena Hay, Peter Jeffries, Andrew McKinlay, Jon Walklett and Chris Coleman

Agenda

		SECTION 1 : PROCEDURAL MATTERS	
1.		**APOLOGIES**	
2.		**DECLARATIONS OF INTEREST**	
3.		**MINUTES OF THE LAST MEETING** Minutes of the meeting held on 12 January 2016	(Pages 3 - 8)
4.		**PUBLIC AND MEMBER QUESTIONS AND PETITIONS** These must be received no later than 12 noon on the fourth working day before the date of the meeting	
		SECTION 2 :THE COUNCIL *There are no matters referred to the Cabinet by the Council on this occasion*	
		SECTION 3 : OVERVIEW AND SCRUTINY COMMITTEE *There are no matters referred to the Cabinet by the Overview and Scrutiny Committee on this occasion*	
		SECTION 4 : OTHER COMMITTEES *There are no matters referred to the Cabinet by other Committees on this occasion*	
		SECTION 5 : REPORTS FROM CABINET MEMBERS AND/OR OFFICERS	
5.		**FINAL GENERAL FUND BUDGET PROPOSALS 2016/17 (INCLUDING SECTION 25)**	

		Report of the Cabinet Member Finance TO FOLLOW	
6.		**FINAL HOUSING REVENUE ACCOUNT REVISED BUDGET 2016/17** Report of the Cabinet Member Finance TO FOLLOW	
7.		**TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY** Report of the Cabinet Member Finance	(Pages 9 - 36)
8.		**BUDGET MONITORING REPORT OCTOBER - DECEMBER 2015** Report of the Cabinet Member Finance TO FOLLOW	
9.		**2020 VISION - BUSINESS CASE FOR SHARING CUSTOMER AND SUPPORT SERVICES** Report of the Cabinet Member Corporate Services	(Pages 37 - 90)
10.		**2020 VISION - BUSINESS CASE FOR SHARING REVENUES AND BENEFITS SERVICES** Report of the Cabinet Member Corporate Services	(Pages 91 - 160)
11.		**2020 VISION-RESIDUAL CORPORATE SERVICES MATTERS** Report of the Cabinet Member Corporate Services	(Pages 161 - 180)
12.		**APPROVAL OF ENERGY RE-PROCUREMENT PROCESS/OUTCOME** Report of the Cabinet Member Clean and Green Environment	(Pages 181 - 190)
13.		**DRAFT LOCAL TRANSPORT PLAN (LTP) CONSULTATION** Report of the Leader	(Pages 191 - 216)
		SECTION 6 : BRIEFING SESSION • Leader and Cabinet Members	
14.		**BRIEFING FROM CABINET MEMBERS**	
		SECTION 7 : DECISIONS OF CABINET MEMBERS Member decisions taken since the last Cabinet meeting	
		SECTION 8 : ANY OTHER ITEM(S) THAT THE LEADER DETERMINES TO BE URGENT AND REQUIRES A DECISION	

Contact Officer: Rosalind Reeves, Democratic Services Manager, 01242 774937
Email: democratic.services@cheltenham.gov.uk

Cabinet

Tuesday, 12th January, 2016
6.00 - 6.40 pm

Attendees	
Councillors:	Steve Jordan (Leader of the Council), John Rawson (Cabinet Member Finance), Peter Jeffries (Cabinet Member Housing), Andrew McKinlay (Cabinet Member Development and Safety), Jon Walklett (Cabinet Member Corporate Services) and Chris Coleman (Cabinet Member Clean and Green Environment)
Also in attendance:	Councillor Matt Babbage, Councillor Roger Whyborn and Councillor Max Wilkinson

Minutes

1. **APOLOGIES**
   Apologies were received from Councillor Rowena Hay

2. **DECLARATIONS OF INTEREST**
   The Leader declared an interest in agenda item 6 as a member of the Cheltenham Business Partnership and shadow BID Board.

3. **MINUTES OF THE LAST MEETING**
   The minutes of the meetings held on 8 and 15 December were approved and signed as a correct record.

4. **PUBLIC AND MEMBER QUESTIONS AND PETITIONS**
   QUESTION RECEIVED FROM COUNCILLOR WHYBORN TO THE CABINET MEMBER DEVELOPMENT AND SAFETY
   In the light of the Council's resolution on 20 mph speed limits, passed on 14th December 2015, and the O&S Cycling and Walking report referred to in it, would it be a good idea to briefly convene a Cabinet Member Working Group in Spring 2016 to review the form and content of the proposed CBC consultation on 20 mph limits, with a view to the consultation taking place later in 2016?

   RESPONSE FROM THE CABINET MEMBER DEVELOPMENT AND SAFETY, COUNCILLOR MCKINLAY
   My report to Cabinet today suggests that a Delivery Programme is developed covering the items discussed in the O&S Cycling and Walking Report.

   I welcome Councillor Whyborn's suggestion of a Cabinet Member Working Group to review the form and content of any consultation on 20mph limits; and I'm happy for that to meet in the Spring and feed into the Delivery Programme.

   I have no particular concerns about consultation taking place during 2016, but my preference would be that the timing of the delivery of the various elements in the O&S Report is dealt with through the Delivery Programme; which will be able to give better consideration to timing in respect of both the resource

Draft minutes to be approved at the next meeting on. Tuesday, 9 February 2016

implications and any complimentary work being undertaken by the Borough Council or by other agencies."

5. **OVERVIEW AND SCRUTINY COMMITTEE, WALKING AND CYCLING TASK GROUP - CABINET RESPONSE**

The Cabinet Member Development and Safety introduced the report which was a response to the recommendations made by the Walking and Cycling Scrutiny Task Group. He welcomed the direction of travel in the STG's recommendations and believed that recommendation 2 of this report would be a sensible way forward in terms of implementing a succession of initiatives to contribute to improving walking and cycling in the town. He made reference to his response provided to the member question from Councillor Whyborn and confirmed he was happy for a Cabinet Member Working Group to review the form and content of any consultation on 20mph limits in the Spring and feed into the Delivery Programme.

The Leader wished to put on record his thanks to the work of the scrutiny task group which had undertaken a positive piece of work.

RESOLVED THAT

1. **the direction of travel in the Walking and Cycling Task Group's recommendations be endorsed and the Cabinet Responses identified at Appendix 2 be agreed**

2. **That, in respect of the responses at Appendix 2:**

2.1 **a Delivery Programme is submitted to Cabinet in Summer 2016, the Programme to identify resource and budgetary implications and a timeline for implementation.**

2.2 **implementation can commence in advance of the Delivery Programme where the impact of a recommendation is consistent with current work-streams and policies and is deliverable within existing staff and budgetary resources;**

2.3 **implementation can commence in advance of the Delivery Programme in respect of the cycling and walking champion; and**

2.4 **implementation can commence in advance of the Delivery Programme in respect of the Cheltenham Cycling and Walking Advisory Group – terms of reference at Appendix 3.**

6. **CHELTENHAM BUSINESS IMPROVEMENT DISTRICT - IMPACTS ON THE COUNCIL**

The Leader introduced the report and explained that the Cheltenham Business Partnership (CBP) had determined to support the introduction of a Business Improvement District (BID) in the town centre. A Shadow BID Board had been established and was progressing towards a ballot of businesses in the affected area, currently scheduled for April 2016. The Leader explained that he was the Council's representative on the Shadow BID Board.

He reported that there were more than 200 BIDS in existence across the country with very positive feedback to date. A Business Plan is agreed for the 5 year life of the BID after which time it is reconfirmed. The Leader explained that the aim of this report was to alert Cabinet to its responsibilities, agree a method by which they are discharged and as far as is possible at the moment, identify the impacts. He highlighted that it was not for the Council to insist that a BID is implemented as this was a decision to be made by businesses in the town, via a referendum within the zone outlined in Appendix 2 of the report. The BID would be established if, through the ballot more than 50% of business rate payers voting were in favour and they represented more than 50 % of the business rate value of those voting. The annual cost of the levy would be an extra 1.25 % on business rates unless the business was located in a shopping centre.

The Leader explained that there was concern that the introduction of the BID and its levy would mean that businesses which paid the Late Night levy (which raises £70k per year) would be paying two local taxes. The Shadow BID Board was proposing that in year one of the BID, any business paying the Late Night Levy would have this amount reduced from their BID levy charge. In subsequent years, they would only pay the BID levy and the Late Night Levy would be discontinued. The BID would continue to fund initiatives related to the night-time economy.
The Leader explained that a loan of £32k from British Bids- a government funded body would be allocated to establishing the BID process in Cheltenham. The loan would be repayable by the BID Board in the event of a positive ballot.

In terms of the specific roles of CBC in the process the Leader explained that Cabinet would be required to delegate authority to the Managing Director Place and Economic Development in consultation with the Cabinet Member Development and Safety to collect the additional rates triggered by the BID process. The Council would be liable for the payment of the BID levy for any property for which it pays business rates and is in the BID area. Post ballot the Council would be able to claim 3 % of the BID Levy to fund its role in collection of the levy.

The Leader highlighted that there was a £9k shortfall in cashflow and an application to the Late Night Levy fund was being progressed to address this.

Finally, the Leader reminded Members that a seminar had been arranged for 28 January to discuss this in more detail.

In the discussion that ensued Members supported the establishment of a BID and whilst it would mean a financial commitment from the council as a considerable property owner it was important to look at the bigger picture in terms of contributing to the economic success of the town. The BID had the potential to make the town one of the most inviting and welcoming towns in the country. It represented a leadership opportunity to businesses to drive forward the prosperity of the town by drawing on their enterprise, initiative and knowledge. Members referred to the success of the implementation of the Late Night Levy and highlighted that the BID would assist day time and retail activities as well as the late night economy.

RESOLVED THAT

1. the principle of a Business Improvement District (BID) in central Cheltenham be supported
2. authority be delegated to the Managing Director Place and Economic Development in consultation with the Cabinet Member Development and Safety to make decisions in respect of the Council's obligations under the BID legislative process
3. the current predicted financial shortfall in the BID process be noted and officers be requested to identify a suitable solution to be reported to the Cabinet Member Development and Safety.

7. **PUBLIC NOTICE ASSOCIATED WITH PROPOSED LEASE OF LAND AND BUILDINGS AT ST MARKS PLAYING FIELD, OFF BROOKLYN ROAD CHELTENHAM.**
The Cabinet Member Finance introduced the report and explained that an offer had been made to the council to undertake improvement works of a burned out and derelict sports pavilion at King George V Playing Field, Brooklyn Road, to provide a sporting facility for Rowanfield Rovers AFC: a youth sports club; in return for a 10 year lease of the pavilion and junior sports pitch. The Cabinet Member added that this would be of great benefit to the community and sport in the town and this partnership between the council and voluntary organisations was increasingly strengthening due to the adoption of the Third Sector rents policy adopted some time ago.

The Cabinet Member Clean and Green Environment welcomed the recommendations and thanked officers for being so proactive in the search for a new leaseholder by means of its proactive marketing campaign. This lease would enable Rowanfield Rovers to grow and would be received well received in the neighbourhood.

RESOLVED THAT

There having been no objections to the S123 notice inserting in the Public Notice section of the Gloucestershire Echo and published 29th October 2015 and 5th November 2015, the leasehold disposal of the land and building shown edged red on the plan which accompanies this report be approved.

8. **REVISED NATIONAL PLANNING POLICY FRAMEWORK CONSULTATION-CBC RESPONSE**
The Leader of the Council introduced the report which set out the key topics covered in the Government consultation on proposed changes to the National Planning Policy Framework (NPPF) which would have a potential impact on Cheltenham Borough Council. The deadline for responses had been extended until 22 February.

The Leader outlined the major concerns as follows :

1. Inclusion of Starter Homes as a type of affordable housing- The council's strategy had been to maximise affordable housing in the town as the higher cost of housing in Cheltenham relative to other towns made it difficult for those on low incomes living in the town to find affordable accommodation. The inclusion of starter homes as a type of affordable housing was considered a major attack on social housing with the likely impact being 'squeezing out' affordable rented housing without any guarantee of a net increase in overall housing supply, thus failing to meet local housing need.

2. Converting commercial units to become accommodation was likely to cause amenity issues- there was already a lack of office accommodation in the town centre and this proposal was likely to undermine employment provision in Cheltenham. It was vital that a balance between affordable homes and office accommodation was achieved.

In the discussion that ensued Cabinet Members spoke strongly against the proposals which they believed to be damaging and did not provide an equitable solution to providing decent quality affordable housing. They highlighted the fact that Cheltenham's house prices were some 15-25% higher than in surrounding districts. They believed that the consequences of these proposals had not been thoroughly thought through and these included ultimately housing only being provided in the private rented sector.

The Planning Policy Team Leader was invited to address Cabinet. He reported that the JCS Inspector had asked housing policy to include starter homes in the definition on that day. Important to note was that according to the current Housing Market Assessment starter homes would still be unaffordable to those on modest incomes. It was vital to have regard to the strategic HMA as part of the planning policy review to ensure housing needs are being met. Redefining social housing would make it easier for developers to sell on the open market.

Members also commented on the Government's proposal to take action where planning applications had not been delivered. The point was made that it was important to encourage developers with building out the permissions they were granted rather than sanction them. This position had been worsened by the proposal that housing association rents must decrease by 1 % per year for the next 4 years, effectively limiting their ability to build properties and contributing the town's housing supply.

Members also made reference to the Government's aim to strengthen policy on development of brownfield land for housing by the proposal to remove the right of local authorities to reject brownfield developments even if there is good reason. There was potential that this could weaken local planning policy.

In summing up the Leader said there were widespread concerns about the proposals; there should be an opportunity to address the issues locally rather than following national guidelines, as each area had its own unique issues.

RESOLVED THAT

The comments as set out in appendix two be endorsed and authority be delegated to the Leader to agree minor amendments prior to submitting the Council's final response to DCLG.

9. **CABINET MEMBER DECISIONS TAKEN SINCE THE LAST MEETING**

Leader	29 December 2015	To appoint Jacky Fletcher as the CBC member representative on the Airport Consultative Committee
Leader	24 December 2015	To sign the written resolution to appoint Colin Dennis and Elisabeth Carter as specialist non-executive directors of Gloucestershire Airport Ltd
Cabinet Member Finance	17 December 2015	To reduce the service charge due on 3 Tyndale by £3600 in respect of external refurbishment previously undertaken required to remedy water ingress problems
Cabinet Member Healthy Lifestyles	18 December 2015	Appointment of David Mackie as artist to the Minster Alleyways Project

Chairman

Agenda Item 7

Cheltenham Borough Council
Treasury Management Panel – 18th January 2016
Cabinet – 9th February 2016
Council - 12th February 2016
Treasury Management Strategy Statement and Annual Investment Strategy 2016/17

Accountable member	**Cabinet Member Finance, Councillor John Rawson**
Accountable officer	**Section 151 Officer, Paul Jones**
Accountable scrutiny committee	**Scrutiny**
Ward(s) affected	**None**
Key Decision	**Yes**
Executive summary	In accordance with best practice, the Council has adopted and complies with the CIPFA Code of Practice on Treasury Management in the public services. To comply with the code, the Council has a responsibility to set out its Treasury Management Strategy Statement for borrowing and to prepare an Annual Investment Strategy for council approval prior to the start of a new financial year.
Recommendations	Treasury Management Panel/Cabinet recommend to Council the approval of the attached Treasury Management Strategy Statement and Annual Investment Strategy for 2016/17 at Appendix 2 including : **The general policy objective 'that Council should invest prudently the surplus funds held on behalf of the community giving priority to security and liquidity'.** **That the Prudential Indicators for 2016/17 including the authorised limit as the statutory affordable borrowing limit determined under Section 3 (1) Local Government Act 2003 be approved.** **Revisions to the Council's lending list and parameters as shown in Appendix 3 are proposed in order to provide some further capacity. These proposals have been put forward after taking advice from the Council's treasury management advisers Capita Asset Services and are prudent enough to ensure the credit quality of the Council's investment portfolio remains high.** **For 2016/17 in calculating the Minimum Revenue Provision (MRP), the Council will apply Option 1 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure as per section 21 in Appendix 3.**

Cabinet 10th February 2015
Council 13th February 2015

Treasury Management Strategy Statement
and Annual Investment Strategy 2015/16

Page 1 of 4

Last updated 25 January 2016

Financial implications	All financial implications are noted in the report. **Contact officer: Andrew Sherbourne,** **andrew.sherbourne@cheltenham.gov.uk, 01242 264337**
Legal implications	As detailed in the report. **Contact officer: Peter Lewis** **peter.lewis@tewkesbury.gov.uk, 01684 272695**
HR implications (including learning and organisational development)	None arising directly from this report. **Contact officer: Julie McCarthy,** **julie.mccarthy@cheltenham.gov.uk, 01242 264355**
Key risks	As noted in Appendix 1.
Corporate and community plan Implications	The purpose of the strategy is to improve corporate governance, a key objective for the Council.
Environmental and climate change implications	None arising directly from this report.

1.   Background

1.1   The CIPFA Code of Practice for Treasury Management in Public Services and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement and the Prudential Indicators on an annual basis. The Treasury Management Strategy Statement also incorporates the Annual Investment Strategy as required under the CLG's Investment Guidance.

1.2   For the purposes of the Code, CIPFA has adopted the following as its definition of treasury management activities:

"the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.3   The Council will create and maintain, as the basis for effective treasury management:

- A Treasury Management Strategy Statement, stating the policies, objectives and approach to risk management of its treasury management activities

- Suitable Treasury Management Practices (TMP's) setting out the manner in which the Council will seek to achieve those polices and objectives, and prescribing how it will manage and control those activities.

1.4   The local authorities (Capital Finance and Accounting) (England) Regulations 2003, which came into force on 1st April 2004, include provisions relevant to investments. These regulations, together with amendments subsequently made to them (S.I No.534), determine the nature of specific investments, and how they should be treated/accounted for by a local authority. Formal guidance

was revised and issued by the Communities and Local Government (CLG) in 2010.

1.5 The Treasury Management Strategy Statement and Annual Investment Strategy at Appendix 2, state the overriding principles and objectives governing treasury management activity. As an integral part of that Statement, the Council includes the preparation of Treasury Management Practices which set out the manner in which the Council will achieve those principles and objectives prescribing how it will manage and control those activities.

1.6 The general policy objective of the Annual Investment Strategy is that:

'the Council should invest prudently the surplus funds held on behalf of the community giving priority to security and liquidity'.

The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk is an important and integral element of its treasury management activities.

1.7 The strategy allows sufficient flexibilities and delegations to avoid the need for a formal variation, other than in the most exceptional circumstance.

2.0 Consultation

2.1 The Council's external treasury advisors, Capita Asset Services, supported the Council in the production of the strategies.

2.2 The strategy is to be approved by the Treasury Management Panel at its meeting on 18th January 2016.

Report author	Contact officer: Andrew Sherbourne, andrew.sherbourne@cheltenham.gov.uk **01242 264437**
Appendices	Appendix 1 – Risk Assessment Appendix 2 – Treasury Management Strategy Statement & Annual Investment Strategy 2015/16 Appendix 3 – Updated Lending list Appendix 4 - Annual MRP Statement 2015/16
Background information	Section 15(1)(a) of the Local Government Act 2003 Cheltenham Borough Council Treasury Management Practices

Cabinet 10th th February 2015
Council 13th February 2015

Treasury Management Strategy Statement
and Annual Investment Strategy 2015/16

Page 3 of 4

Last updated 25 January 2016

Risk Assessment

Appendix 1

	The risk			Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	LOBO Loans - If £7m of these loans is recalled by the banks if they choose to exercise their option then we would need to have the resources on the day to repay. Alternative borrowing arrangements at today's current rates would be favourable for the Council	Section 151 Officer Paul Jones	24th January 2015	1	2	2	Accept	If the loans are recalled the council could take out temporary borrowing which is currently much lower than the rates on these loans. Any capital receipts available could also be used to repay debt.	May 2017	Section 151 Officer Paul Jones	

Page 12

Cabinet 10th February 2015
Council 13th February 2015

Treasury Management Strategy Statement
and Annual Investment Strategy 2015/16

Page 4 of 4

Last updated 25 January 2016

TREASURY MANAGEMENT STRATEGY 2016/17

1. INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the investment reduction of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses.

CIPFA defines treasury management as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.2 Reporting requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of polices, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report covers:
- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A mid year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Treasury Management Panel.

1.3 Treasury Management Strategy for 2016/17

The strategy for 2016/17 covers two main areas:

Capital issues
- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) strategy.

Treasury management issues
- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

1.4 Training

The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. This Council has addressed this important issue by providing training sessions for the Treasury Management Panel members on the subject of Treasury Management.

The training needs of treasury management officers are periodically reviewed.

1.5 Treasury management consultants

The Council uses Capita Asset Services, as its external treasury management advisors.
The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2. THE CAPITAL PRUDENTIAL INDICATORS 2016/17 – 2018/19

The Council's capital expenditure plans are the key driver of treasury management activity. The outputs of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure	2014/15 Actual £000	2015/16 Revised £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
General Fund	4,333	24,463	9,196	949	949
HRA	6,974	5,458	8,219	8,661	8,526
Total	11,307	29,921	17,415	9,610	9,475

Other long term liabilities. The above financing need excludes other long term liabilities, such as leasing arrangements which already include borrowing instruments. The authority has no finance leasing arrangements at present.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital expenditure	2014/15 Actual £000	2015/16 Revised £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Total	11,307	29,921	17,415	9,610	9,475
Financed by:					
Capital receipts	1,513	8,035	1,080	430	230
Capital grants	344	737	380	380	380
Capital reserves	6,352	5,902	6,568	5,917	6,048
3rd Party Contributions	369	893	750	250	250
Revenue	629	60	1,722	2,490	2,424
Borrowing need for the year	2,100	14,294	6,915	143	143

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes

The Council is asked to approve the CFR projections below:

£000	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Capital Financing Requirement					
Total CFR	72,595	73,871	86,148	84,189	82,260
Movement in CFR	(887)	1,276	12,277	(1,959)	(1,929)

Movement in CFR represented by					
Net financing need for the year (above)	11,307	29,921	17,415	9,610	9,475
Less MRP/VRP and other financing movements	(12,194)	(28,520)	(29,692)	(11,569)	(11,404)
Movement in CFR	**(887)**	**1,401**	**12,277**	**(1,959)**	**(1,929)**

2.3 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

2.4 Ratio of financing costs to net revenue stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. It would not be prudent for borrowing costs to be a significant proportion of net revenue either now or in the future. By estimating the ratio for at least the next three years the trend in the cost of capital (borrowing costs net of interest and investment income) as a proportion of revenue income can be seen.

%	2014/15 Actual	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
General Fund	2.90%	3.60%	4.01%	4.28%	4.21%
HRA	8.01%	7.77%	7.92%	8.00%	8.15%
Total	5.88%	6.05%	6.26%	6.55%	6.62%

2.5 Incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

Incremental impact of capital investment decisions on the band D council tax

£	2014/15 Actual	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Council tax - band D	NIL	NIL	NIL	NIL	NIL

For average weekly housing rents

£	2014/15 Actual	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Housing Rents	NIL	NIL	NIL	NIL	NIL

Decisions on annual rent increases are subject to rent restructuring guidelines set by Central Government. As a consequence the Government have indicated that rent levels will decrease by 1% over the next four years. This method has been used to form part of the 30 year HRA Business Plan.

3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The Council's treasury portfolio position at 31 March 2015, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£000	2014/15 Actual	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
External Debt					
Debt at 1 April	57,709	58,926	65,360	68,512	68,671
Expected change in Debt	1,217	6,434	3,170	274	4,857
Actual debt at 31 March	**58,926**	**65,360**	**68,530**	**68,786**	**73,528**
The Capital Financing Requirement	**72,595**	**73,871**	**86,148**	**84,189**	**82,260**
Under / (over) borrowing	**13,669**	**8,511**	**17,618**	**15,403**	**8,732**

Total investments at 31 March					
Investments	**24,561**	**17,460**	**14,590**	**13,520**	**10,520**
Investment change	3,845	(7,101)	(2,870)	(1,070)	(3,000)

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within set limits. One of these is that the Council needs to ensure that its total debt, net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years (shown as net borrowing above). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Section 151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary £'000	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Borrowing	106,600	107,000	104,000	101,000

The authorised limit for external debt. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

The Council is asked to approve the following authorised limit:

Authorised Limit £'000	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Borrowing	116,000	117,000	114,000	111,000

3.3 Prospects for interest rates

The Council has appointed Capita as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Capita central view.

Annual Average %	Bank Rate	PWLB Borrowing Rates (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2015	0.50	2.30	3.60	3.50
March 2016	0.50	2.40	3.70	3.60
June 2016	0.75	2.60	3.80	3.70
Sept 2016	0.75	2.70	3.90	3.80
Dec 2016	1.00	2.80	4.00	3.90
March 2017	1.00	2.80	4.10	4.00
June 2017	1.25	2.90	4.10	4.00
Sept 2017	1.50	3.00	4.20	4.10
Dec 2017	1.50	3.20	4.30	4.20

March 2018	1.75	3.30	4.30	4.20
June 2018	1.75	3.40	4.40	4.30
Sept 2018	2.00	3.50	4.40	4.30
Dec 2018	2.00	3.50	4.40	4.30
March 2019	2.00	3.60	4.50	4.40

Until 2013, the economic recovery in the UK since 2008 has been the worst and slowest recovery in recent history. However, growth has rebounded during 2013 and especially during 2014, to surpass all expectations. The November 2015 Bank of England Inflation Report included a forecast for growth to remain around 2.5-2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015 this year. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, worldwide economic statistics have distinctly weakened and the November Inflation Report flagged up particular concerns for the potential impact on the UK.

The Inflation Report was notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. However, once the falls in oil, gas and food prices over recent months fall out of the 12 month calculation of CPI, there will be a sharp tick up from the current zero rate to around 1 percent in the second half of 2016. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. There is considerable uncertainty around how quickly inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate.

In the Eurozone, the ECB used its powers in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and looks as if it may maintain this pace in quarter 3. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then weakened again to 1.5% in quarter 3. The downbeat news in late August and in September about Chinese and Japanese growth and the knock on impact on emerging countries that are major suppliers of commodities, was cited as the main reason for the Fed's decision at its September meeting to pull back from a first rate increase. However, the nonfarm payrolls figure for growth in employment in October was very strong and, together with a likely perception by the Fed. that

concerns on the international scene have subsided, has now firmly opened up the possibility of a first rate rise in December.

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

Against this background and the risks within the economic forecast , caution will be adopted with 2016/17 treasury operations. The Section 151 Officer will monitor interest rates in the financial markets and adopt a pragmatic approach to changing circumstances.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Treasury management limits on activity

- The Council must set both upper and lower limits with respect to the maturity structure of borrowing for the following financial year. This indicator is designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. Therefore the aim should be a relatively even spread of debt repayment dates.
- It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowings as follows:

	Upper Limit %	Lower Limit %
Under 12 months	50	0
12 months and within 24 months	50	0
24 months and within 5 years	100	0
5 years and within 10 years	100	0
10 years and within 20 years	100	0
20 years and within 30 years	100	0
30 years and within 40 years	100	0
40 years and within 50 years	100	0
50 years and above	100	0

3.5 Current Portfolio Position

The Council's treasury debt portfolio position at 31st December 2015 comprised:

		Principal	Ave. rate
		£m	%
Fixed rate borrowing	PWLB	49.72	3.65
	Market	15.90	4.00
		65.62	3.74
TOTAL DEBT		**£65.62m**	**3.74**
TOTAL INVESTMENTS		**23.02m**	**0.63**

3.6 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.7 Debt rescheduling

The Council will continue to maintain a flexible policy for debt rescheduling. As short term borrowing rates will be considerably cheaper than longer fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt premium repayment. The rationale for rescheduling would be one or more of the following:

- Savings in interest costs with minimal risk
- Balancing the ratio of fixed to variable debt
- Amending the profile of maturing debt to reduce inherent refinancing risks.

Any rescheduling activity will be undertaken following the rationale within the Council's Treasury Management Strategy. The Section 151 Officer will agree in advance with Capita on the strategy and framework within which debt will be repaid/rescheduled if opportunities arise. Thereafter the Council's debt portfolio will be monitored against equivalent interest rates and available refinancing options on a regular basis. As opportunities arise, they will be identified by Capita and discussed with the Council's treasury officers.

All rescheduling activity will comply with the accounting requirements of the local authority Code of Practice and regulatory requirements of the Capital Finance and Accounting Regulations (SI 2007 No 573 as amended by SI 2008/414).

All rescheduling and any new long term borrowing undertaken will be reported to the Treasury Management Panel at the meeting following its action.

3.8 Municipal Bond Agency

It is likely that the Municipal Bond Agency, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). This council could make use of this new source of borrowing as and when required.

4. ANNUAL INVESTMENT STRATEGY

4.1 Investment policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second,then return.

In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in Appendix 3 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

As with previous practice, ratings will not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the

Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use in the financial year are listed below in paragraph 4.4 under the 'specified' and 'non-specified' investments categories as well as the counterparty limits.

4.2 Specified and Non- Specified Investments

Specified Investments are investments offering high security and high liquidity. The investments will be sterling denominated with maturities up to a revised maximum of one year and meet the minimum 'high' credit rating criteria where applicable. Instruments identified for use in the financial year are listed in table below under the 'specified' and 'non-specified' investments categories.

SPECIFIED INVESTMENTS
All 'Specified and Non Spcified Investments' listed below must be sterling-denominated.

The types of investments that will be used by the Council

Investment	Max Sum per institution/group	Maximum period
Debt Management Agency Deposit Facility* (DMADF) • this facility is at present available for investments up to 6 months	UNLIMITED	6 months
UK Government Gilts	£2m	2 years
UK Government Treasury Bills	UNLIMITED	1 year
Term deposits with the UK government or with UK local authorities (i.e. local authorities as defined under Section 23 of the 2003 Act) with maturities up to 1 year	£7m	2 years
Term deposits with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 1 year (UK & Non-UK)	£7m	1 year

Money Market Funds with UK/Ireland/Luxembourg domiciled	£2m	1 year
Corporate Bonds held in a broker's nominee account (King & Shaxson Ltd)	£2m	2 years to maturity
T-Bills issued by the DMO (Government)	UNLIMITED	1 year
Certificates of deposit (CD's) issued by banks and building societies covered by UK Government (explicit) guarantee	£7m	2 years

Non-specified investments are of greater potential risk and cover deposit periods over one year. Capita continue to maintain the view that, for the time being, clients should look to the short end of the market when making investment decisions and it is the intention of this Council to lend for a maximum period of two years as recommended by Capita. The exception to this is the loan made to Gloucestershire Airport Company which the Council could lend up to three years. The Council does have a 50% share in the airport.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The types of investments that may be used by the Council, and whether they are specified or non-specified are as follows:

Specified and Non-Specified Investments

Investment	Specified	Non-Specified
Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Certificates of deposit with banks and building societies	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	✗
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	✗
Commercial Paper	✓	✗
Corporate Bonds	✓	✓
Property Funds	✗	✓
AAA rated Money Market Funds	✓	✗
Other Money Market and Collective Investment Schemes	✓	✓

Debt Management Account Deposit Facility	✓	✗

4.3 Creditworthiness policy

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's.   The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments.   The Council will therefore use counterparties within the following durational bands:

- Yellow   5 years *
- Dark Pink   5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- Light Pink   5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- Purple   2 years
- Blue   1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange   1 year
- Red   6 months
- Green   3 months
- No colour   not to be used

The Capita creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use. UK part nationalised banks such as National Westminster Bank and Royal Bank of Scotland are currently rated as

BBB+ but remain on the list as they have the government support at present. However once the majority of these banks shares are sold they will be colour coded as an unsupported bank in line all the other banks, and if the rating falls below A-, will be removed from the lending list.

All credit ratings will be monitored weekly and upon any adhoc changes. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

-

- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on any external support for banks to help support its decision making process.

4.4 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of **AA-** from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 3. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

4.5 Council's Banker
The Council banks with Lloyds (Lloyds Banking Group). On adoption of this Strategy, it will meet the minimum credit criteria of A- (or equivalent) long term. It is the Councils intention that even if the credit rating of Lloyds Bank falls below the minimum criteria A the bank will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

4.6 Annual Minimum Revenue Provision (MRP) Statement
The annual MRP Statement is disclosed in Appendix 4.

4.7 Balanced Budget Requirement
The Authority complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

4.8 Reporting on the Treasury Outturn

The Director of Resources, (Designated Section 151 Officer) will report to Council on its treasury management activities and performance against the strategy at least twice a year, one at mid-year and a year- end review at closedown time.

The Treasury Management Panel will be responsible for the scrutiny of treasury management activity and practices.

4.9 Other Items

4.10 Training

In CIPFA's Code for Treasury Management, it requires the Section 151 Officer to ensure that all appropriate staff and members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities. Training requirements will be identified and any shortfalls will be met by Capita or other organisations.

4.11 Treasury Advisors

The CLG's Guidance on local government investments recommend that the Investment Strategy should state:

- Whether and, if so, how the authority uses external advisors offering information, advice or assistance relating to investment and
- How the quality of any such service is controlled.

The Council appointed Capita Asset Services Ltd (formerly known as Sector) as its external advisor in December 2012 which was extended recently to December 2017. They provide us with information, advice and assistance in all areas of treasury. The Council aims to have a close working relationship with Capita and will be in contact with their advisors on a regular basis (weekly) and daily if necessary. A detailed schedule of services is listed within the contract. The Council recognises that responsibility for treasury management decisions remains with the Council at all times.

This page is intentionally left blank

COUNTERPARTY LIST as at 25th January 201

Country /Domicile	Counterparty	Max CP Limit £m	Max Group Limit £m	Max Duration	Fitch Long-Term Rating	
UK Financial Institutions:						
UK	Abbey National Treasury Services plc	7.0	-	6 months	A	
UK	Barclays Bank Plc	7.0	-	6 months	A	
UK	Close Brothers Ltd	7.0	-	6 months	A	
UK	Goldman Sachs International/Bank	7.0	-	3 months	A	
UK	HSBC Bank Plc	7.0	-	12 months	AA-	
UK	Santander	7.0	-	6 months	A	
~~UK~~	~~Standard Chartered Bank~~	~~7.0~~	-	~~6 months~~	~~A+~~	Currently off
UK	Sumitomo Mitsui Banking Corporation Europe Ltd	7.0	-	3 months	A	
UK	UBS Ltd	7.0	-	6 months	A	
UK	Nationwide Building Society	7.0	-	6 months	A	
UK	Coventry Building Society	7.0	-	6 months	A	
UK	Leeds Building Society	7.0	-	6 months	A-	
UK	Bank of Scotland (Lloyds Banking Group)	7.0	9.0	6 months	A+	
UK	Lloyds Bank (Lloyds Banking Group)	7.0	9.0	6 months	A+	
UK	Nat West Bank (RBS Group)	7.0	9.0	12 months	BBB+	Part Nationalised
UK	Royal Bank of Scotland (RBS Group)	7.0	9.0	12 months	BBB+	Part Nationalised

All the above banks are UK based and are authorised by the FSA

Others:

Country /Domicile	Counterparty	Max CP Limit £m	Max Group Limit £m	Max Duration	Fitch Long-Term Rating
UK	Local Authorities	7.0	-	Non-Specified	-
	Money Market Funds (MMFs)	10% total Investment	-	1 year	-

Policy Investments:

Country /Domicile	Counterparty	Max CP Limit £m	Max Group Limit £m	Max Duration	Fitch Long-Term Rating
UK	Cheltenham Festivals Ltd	0.1		12 months	-
UK	The Gloucestershire Everyman Theatre	0.1		12 months	-
UK	Cheltenham Trust	0.1		12 months	-
UK	Ubico Ltd (wholly owned LA company - 50/50 CBC & Cotswold DC)	0.5	-	1 year	-
UK	Cheltenham Borough Homes	10.00		Non-Specified	-
UK	Gloucestershire Airport Ltd - 50/50 CBC & Glos City Council	1.00		7 Years	-

Sovereign rating AA+ minimum

Country /Domicile	Counterparty	Max CP Limit £m	Max Group Limit £m	Max Duration	Fitch Long-Term Rating
Non-UK Financial Institutions:					
Australia	Australia & New Zealand Banking Group Ltd	2.0	2.0	12 months	AA-
Australia	Commonwealth Bank of Australia	2.0	2.0	12 months	AA-
Australia	National Australia Banks Ltd	2.0	2.0	12 months	AA-
Australia	Westpac Banking Corporation	2.0	2.0	12 months	AA-
Canada	Bank of Montreal	2.0	2.0	12 months	AA-
Canada	Bank of Nova Scotia	2.0	2.0	12 months	AA-
Canada	Canadian Imperial Bank of Commerce	2.0	2.0	12 months	AA-
Canada	Royal Bank of Canada	2.0	2.0	12 months	AA
Canada	Toronto Dominion Bank	2.0	2.0	12 months	AA-
Finland	Nordea Bank Finland plc	2.0	2.0	12 months	AA-
Germany	DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	2.0	2.0	12 months	AA-
Germany	Landwirtschaftliche Rentenbank	2.0	2.0	12 months	AAA
Germany	NRW.BANK	2.0	2.0	12 months	AAA
Netherlands	Bank Nederlandse Gemeenten	2.0	2.0	12 months	AA+
Netherlands	Cooperatieve Rabobank U.A.	2.0	2.0	12 months	AA-
Singapore	DBS Bank Ltd	2.0	2.0	12 months	AA-
Singapore	Oversea Chinese Banking Corporation	2.0	2.0	12 months	AA-
Singapore	United Oversea Bank Ltd	2.0	2.0	12 months	AA-
Sweden	Nordea Bank AB	2.0	2.0	12 months	AA-
Sweden	Svenska Hadelsbanken AB	2.0	2.0	12 months	AA-
USA	Bank of New York Mellon, The	2.0	2.0	12 months	AA
USA	JP Morgan Chase Bank NA	2.0	2.0	12 months	AA-
USA	Wells Fargo Bank NA	2.0	2.0	12 months	AA

Minimum Credit rating of AA- for Non-UK
Limit of 40% of investment portfolio with non-uk banks.

This page is intentionally left blank

Annual MRP Statement

Background:

1. For many years local authorities were required by Statute and associated Statutory Instruments to charge to the Revenue Account an annual provision for the repayment of debt associated with expenditure incurred on capital assets. This charge to the Revenue Account was referred to as the Minimum Revenue Provision (MRP). In practice MRP represents the financing of capital expenditure from the Revenue Account that was initially funded by borrowing.

2. In February 2008 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [Statutory Instrument 2008/414] were approved by Parliament and became effective on 31st March 2008. These regulations replaced the formula based method for calculating MRP which existed under previous regulations under the Local Government Act 2003. The new regulations required a local authority to determine each financial year an amount of MRP which it considers to be prudent. Linked to this new regulation, the Department of Communities and Local Government (CLG) produced Statutory Guidance which local authorities are required to follow, setting out what constitutes a prudent provision.

3. The CLG Guidance recommends that before the start of the financial year, a statement of MRP policy for the forthcoming financial year is approved by Full Council.

4. The broad aim of the Policy is to ensure that MRP is charged over a period that is reasonably commensurate with the period over which the capital expenditure which gave rise to the debt provides benefits. In the case of borrowing supported by Revenue Support Grant, the aim is that MRP is charged over a period reasonably commensurate with the period implicit in the determination of that grant. MRP is not required to be charged to the Housing Revenue Account. Where a local authority's overall CFR is £nil or a negative amount there is no requirement to charge MRP.

5. The move to International Financial Reporting Standards (IFRS) means that Private Finance Initiative (PFI) schemes and Operating Leases can be brought onto the Balance Sheet. Where this is the case, such items are classed in accounting terms as a form of borrowing. CLG has therefore amended the Capital Finance Regulations to ensure that the impact on the Revenue account is neutral, with MRP for these items matching the principal repayment embedded within the PFI or lease agreement.

MRP Options:

6. Four options for prudent MRP provision are set out in the CLG Guidance. Details of each are set out below with a summary set out in Table 1:

    Option 1 – Regulatory Method:

7. This method replicates the position that would have existed under the previous regulatory environment. MRP is charged at 4% of the Authority's underlying need to borrow for capital purposes; the Capital Financing Requirement (CFR). The formula includes an item known as "Adjustment A" which was intended to achieve neutrality between the CFR and the former Credit Ceiling which was used to calculate MRP prior to the introduction of the Prudential System on 1st April 2004. The formula also took into account any reductions possible related to commutation of capital related debt undertaken by central government.

8. The General Fund MRP charge using this method is estimated at £331,586 for 2016/17.

Option 2 – CFR Method:

9. This method simplifies the calculation of MRP by basing the charge solely on the authority's CFR but excludes the technical adjustments included in Option 1. The annual MRP charge is set at 4% of the non-housing CFR at the end of the preceding financial year.

10. The General Fund MRP charge for this method is £nil for 2016/17.

Option 3 – Asset Life Method:

11. Under this method MRP is determined by the life of the asset for which the borrowing is undertaken. This can be calculated by either of the following methods:
(a) Equal Instalments: where the principal repayment made is the same in each year, or
(b) Annuity: where the principal repayments increase over the life of the asset.

    The annuity method has the advantage of linking MRP to the benefits arising from capital expenditure, where these benefits are expected to increase over the life of the asset.

12. MRP commences in the financial year following that in which the expenditure is incurred or, in the year following that in which the relevant asset becomes operational. This enables an MRP "holiday" to be taken in relation to assets which take more than one year to be completed before they become operational.

13. The estimated life of the asset will be determined in the year that MRP commences and will not be subsequently revised. However, additional repayments can be made in any year which will reduce the level of payments in subsequent years.

14. If no life can be reasonably attributed to an asset, such as freehold land, the life is taken to be a maximum of 50 years. In the case of freehold land on which a building or other structure is constructed, the life of the land will be treated as equal to that of the structure, where this would exceed 50 years.

15. In instances where central government permits revenue expenditure to be capitalised, the Statutory Guidance sets out the number of years over which the charge to revenue must be made. The maximum useful life for expenditure capitalised by virtue of a direction under s16(2)(b) is 20 years

16. MRP in respect of PFI and Operating Leases brought onto the Balance Sheet under IFRS falls under Option 3.

17. The General Fund MRP charge using this method is estimated at £954,245 2016/17.

Option 4 - Depreciation Method:

18. The depreciation method is similar to that under Option 3 but MRP is equal to the depreciation provision required in accordance with proper accounting practices to be charged to the Income and Expenditure account.

19. The General Fund MRP charge for this method is £nil for 2016/17.

Conditions of Use:

20. The CLG Guidance puts the following conditions on the use of the four options:

    Options 1 and 2 can be used on all capital expenditure incurred before 1st April 2008 and on Supported Capital Expenditure on or after that date.

Options 3 and 4 are considered prudent options for Unsupported Capital Expenditure on or after 1st April 2008. These options can also be used for Supported Capital Expenditure whenever incurred.

MRP Policy for 2014/15:

21. It is proposed that for 2014/15 the Council adopts Option 1 for Supported Borrowing and Option 3 for Unsupported Borrowing. For Option 3, the annuity method for calculating MRP will be used when applicable as it has the advantage of linking MRP to the benefits arising from capital expenditure, where these benefits are expected to increase over the life of the asset.

Table 1

MRP under the CLG Guidance

MRP Options	1 Regulatory Method	2 CFR Method	3 Asset Life Method	4 Depreciation Method
Classifications of Capital Expenditure impacting on the CFR	Capital expenditure incurred before 1 April 2008			
	Supported Capital expenditure incurred after 1 April 2008		Unsupported Capital expenditure incurred after 1 April 2008	
			Expenditure capitalised by virtue of a Direction under s16(2)(b) of the Local Government Act 2003	
MRP Basis	Former regulations 28 and 29	4% of Non-Housing CFR	Equal Annual Instalments of Principal	Depreciation
Aspects of MRP charges	CFR excludes element attributable to Unsupported Capital Expenditure		EIP commences when asset operational	Depreciation MRP commences when asset operational
			Freehold land 50 years.	Depreciation MRP ceases when CFR component is £Nil
			Freehold land with structure >50 years	Depreciation MRP not adjusted for capital receipt
			Capitalisation periods	Depreciation MRP based on proportion of asset financed from "borrowing".
			PFI/Operating Leases brought on Balance Sheet under IFRS	

This page is intentionally left blank

Cheltenham Borough Council
Cabinet- 9 February 2016
2020 Vision – Business case for sharing Customer and Support Services

Accountable member	**John Rawson, Cabinet Member for Finance**
Accountable officer	**Mark Sheldon, Director of Resources**
Ward(s) affected	**All**
Key/Significant Decision	**Yes**
Executive summary	At Cabinet on Tuesday 13 October, as part of the agreement to the 2020 shared services partnership structure, it was agreed that further business case briefings and proposed service level agreements be received and approved by Cabinet. The documents would provide reassurance on the benefits, costs and savings to the Council and demonstrate that other sharing options had been considered, prior to delegation of those services to the Joint Committee. At Council on 19 October 2015, the Leader made a commitment that back-bench members would be given the opportunity to be involved in this process.

Customer and support services, revenues and benefits and property services were identified within the programme as the next new CBC services to be considered for sharing and would therefore be subject to further business case briefings.

Following consultation with the relevant Cabinet lead for the three services; Cllr. John Rawson, it was agreed that three Cabinet Member Working Groups (CMWG) should be established to ensure that as many members as possible were involved in the development of the business case briefings.

The groups met 3 times to consider 'What, How and Why' the council should consider sharing Customer services including the consideration of other sharing options.

The business case attached at Appendix 2 to this report analyses the options including the option for sharing with our 2020 vision partners.

Members of the CMWG considered the options in the business case and supported the recommended option for sharing with 2020 vision partners. As such, it is recommended that Cabinet: |
| **Recommendations** | 1. **Delegate to the 2020 Vision Joint Committee those functions for Customer Services listed at Appendix 3 subject to delegation principles in section 6.**

2. **Authorises the Director of Resources in consultation with the Cabinet Member Finance to undertake all necessary actions and processes to implement the matters set out in this report.** |

Financial implications	The business case for sharing customer services with 2020 Vision partners includes an initial target for savings of £54k p.a. by 2016/17. The sharing of customer services is part of the wider programme of activity which supports an alternative organisation structure which deletes the post of Chief Executive and creates the post of Head of Paid Service. The first phase of this programme will deliver savings of £150,900 in 2016/17. The further sharing of services will also deliver further savings in existing shared services e.g. GOSS, Audit and ICT of £43k in phase 3 i.e. after 2019/20. As a result of this related activity, the overall savings target for 2020 vison is £581k p.a. by 2020 with a potential further £227k though the establishment of a Teckal company (subject to a business case in 2016). The 2020 Vision programme also allows the council to access £1.5m of investment (including government Transformational Challenge Award - TCA funding) allocated for investment in business systems to support investment in technology to support a step change in delivery of the service. **Contact officer:** **Nina Philippidis, Business Partner Accountant** **nina.philippidis@cheltenham.gov.uk, 01242 264121**
Legal implications	The 2020 Vision Joint Committee is being established in February 2016 and will comprise eight members (two members from each partner council). The members for Cheltenham will be Councillors Walklett and Flynn. The partner councils will delegate prescribed functions to the Joint Committee which will then have authority to administer and undertake those functions. The Customer Services functions being delegated by the council to the Joint Committee are set out in Appendix 3 and are subject to the reservations set in section 6 of this report. Also, the delegation of functions will be subject to the overriding principle that the Joint Committee will undertake operational work and that strategic and policy matters (except HR policies) will be retained by the council. The delegation of the functions and the obligations of the Joint Committee and the arrangements it has with the partner councils will be contained in the inter authority agreement. As the law currently stands, it is not possible for a statutory joint scrutiny committee to be established in relation to the 2020 Vision Joint Committee. Therefore, the councils' scrutiny arrangements will apply to the decisions of the Joint Committee and this includes call in of decisions. **Contact officer: Peter Lewis** **Head of Law (Regulatory); peter.lewis@tewkesbury.gov.uk** **01684 272012**

HR implications (including learning and organisational development)	The decision to delegate customer services from the control of the Council to the Joint Committee will initially mean a change of senior manager for the Council's customer services employees. The newly created shared senior manager post is currently being advertised internally across all 4 partner councils with interviews scheduled to take place shortly. The successful candidate will remain employed by his/her current Council but on appointment he/she will be issued with a new employment contract. The new contract will contain an express term that will place the employee at the disposal of the 2020 partner Councils. This is in line with section 113 of the Local Government Act 1972 and will remove the requirement for individual secondment agreements with all the 2020 partners.
	During the initial months following the creation of the Joint Committee, existing customer services staff will remain employed by their current Council (i.e. no change to their roles and responsibilities, terms and conditions of employment and delivering services to their current employer). The newly appointed senior manager will work with current managers and employees to co-create the new shared service structure. It is important to stress that no changes will implemented without formal consultation taking place with the two recognised trade unions and the employees involved. Following consultation on any proposed changes, new employment contracts containing the express term putting the employee at the disposal of the 2020 partner councils will be issued.
	If the need to share staff across the partnership prior to formal consultation taking place arises then this will be permissible providing the employee consents to the proposed change to his/her contract and a formal secondment agreement is put in place.
	A protocol for cost sharing and deciding which council will be the employer for new and vacant posts is currently being drafted.
	The council and the other 2020 partner councils will continue to be supported by the GOSS HR team who will ensure that all HR policies and procedures are followed and that any issues that arise are discussed with management, employees and trade union officers from the two recognised trade unions as soon as they arise.
	Contact officer: Julie McCarthy, GOSS HR Manager **Julie.McCarthy@cheltenham.gov.uk, 01242 264355**
Key risks	**As outlined in Appendix 1.**

Corporate and community plan Implications	The proposal to share customer services supports the delivery of the following council's key corporate objectives for 2015/16.
	VFM 2 - We will have developed and agreed with our 2020 Vison partner councils interim proposals to deliver services in the future together with the necessary management arrangements to implement and with member involvement.
	VFM 3 - We will develop collaborative working with partner councils and prepare for the creation of the shared customer services:
	VFM 10 - We will implement the 'Bridging the Gap' programme and budget strategy for meeting the MTFS funding gap by identifying further savings / income to close gap for 2016/17 and residual MTFS budget gap.
Environmental and climate change implications	None identified at this stage. There may be some additional travel for staff working between sites in a shared service arrangement. However, recent investment in video conferencing technology linking all four council sites and the rollout of new video phones in Cheltenham funded from the programme will ensure that this is reduced to a minimum.
	Gill Morris, 01242 264229, gill.morris@cheltenham.gov.uk
Property/Asset Implications	The further sharing of services may result in further rationalisation of space which supports the reduction in the council's space requirements which will increase the potential to deliver savings from the office relocation as part of the accommodation strategy.
	Contact officer: David Roberts 01242 264151, david.roberts@cheltenham.gov.uk.

The council has undertaken an equalities impact assessment for the service. This is contained at Appendix 5.

1.   Background

1.1   At Cabinet on Tuesday 13 October, as part of the agreement to the 2020 shared services partnership structure, it was agreed that further business case briefings and proposed service level agreements be received and approved by Cabinet. The documents would provide reassurance on the benefits, costs and savings to the council and demonstrate that other sharing options had been considered, prior to delegation of those services to the Joint Committee. At Council on 19 October, the Leader made a commitment that back-bench members would be given the opportunity to be involved in this process.

1.2   Following consultation with the relevant Cabinet lead for the three services; Cllr. John Rawson, it was agreed that three Cabinet Member Working Groups should be established to ensure that as many members as possible were involved in the development of the business case briefings. The groups met for the first time in week commencing 30 November, for the second time on week commencing 14 December and for the final time on week commencing 4 January. The same format for the meetings was followed for each of the three services.

2.   Cabinet Member Working Group

2.1   Review approach

The CMWG structured the meetings to consider the business case options as follows:

- Meeting 1 – to consider 'What' i.e. scoping the service, what's in scope and what's not, what's important for members about what the service does, understanding budgets and defining outcomes.
- Meeting 2 – to consider 'How' i.e. what's most important about how the service is delivered to our customers and what members expect to be included in the specification.
- Meeting 3 – To consider 'Why' i.e. review and sign-off the business case ahead of Scrutiny and Cabinet meetings.

Membership of the Cabinet Member Working Group was as follows:

Customer Services
Cllr John Rawson
Cllr Suzanne Williams
Cllr Helena McCloskey
Cllr Colin Hay
Cllr Max Wilkinson
Cllr Matt Babbage
Mark Sheldon (Director)
Judy Hibbert (Service Manager)
Richard Gibson (Commissioning)
Ann Wolstencroft (2020 Programme)
David Neudegg (2020 Programme)
Paula Burrows (2020 Programme)
Phil Martin (Cotswolds DC)

The meetings were well attended and members welcomed the opportunity to comment on and review the draft business case briefings.

2.2 Analysis of options

The business case outlined the previous investigations into delivering savings and the current landscape for sharing and discounted a number of options. The residual options remaining and analysed further included:

- In house – 'as is'
- 2020 Vision sharing
- Other sharing arrangements

The detailed business case is attached at Appendix 2. A summary of the option to share customer services with our 2020 vision partners is as follows:

Criteria	Customer Services
Savings/value for money	An initial savings target for the creation of the shared customer services of **£54k** has been identified, which is considered to be prudent by CIPFA and builds on the track record of savings delivered from these existing partnerships.
	Sharing with four councils maximises the opportunity to benefit from economies of scale and benefits from an existing track record of working together and sharing and delivering savings from sharing e.g. GOSS and ICT.

Existing back office is shared e.g. GOSS and the proposal to share ICT will ensure that further economies in back office will be delivered through further alignment of back office including shared ICT infrastructure. The overall business case includes further savings of £43k p.a. by 2019/20 from back office which is facilitated by further sharing.

Maximises opportunity to share and reduce operating costs e.g. licences for systems/technology supporting the service e.g. telephony, switchboard.

Maximises opportunity to make savings through shared purchasing e.g. system licences. |
| Pension fund viability | Offers the potential to move to a Teckal company with stakeholder pensions which are more affordable. |
| Quality | The partners are developing a Customer Access Strategy to capture a programme of activity, including a digital strategy, 'push' out messaging to customers and potential CRM systems to improve customer services. 2020 Vision offers a significant opportunity to access £1.5m of TCA money to fund the implementation of the strategy. Any investment above the TCA funding is shared amongst four partner councils. |
| | There is an aspiration to ensure that the existing scope and service standards are, at least, maintained despite reduced funding.

Co-working will enable best practice to be identified and shared.

An analysis of service functions in scope indicates a high degree of similarity between the four councils in terms of the scope of their services which should give members some reassurance that the services can be effectively shared. |

Criteria	Customer Services
Resilience	Sharing technology and staff resources across four partners will maximise the potential to increase resilience.
Creativity	Investment in new technology will provide opportunities for customer service to be delivered in different ways to meet customers' varying requirements. There are some well-developed relationships across the partnership which has resulted in some significant achievements e.g. stabilisation of ICT infrastructure, which can be built on.
	Co-working will encourage and foster creativity across the partners Maximises scope for staff progression/development and improving remuneration as demonstrated by existing models e.g. GOSS and ICT model where staff work across multiple sites.
Influence	Aspiration to ensure that separate identity, local decision making, community leadership and local knowledge is not impacted. More likely to be able to influence others e.g. government on policy, ICT providers for development or other public bodies on regional objectives.
Ability to deliver change	The structure of 2020 Vision is to group ICT and customer services under a group manager in order to deliver step change in services. This will ensure that any service development will receive focused ICT support which is fully resourced and funded.
	The 2020 Vision programme has a £10m programme of activity including funding to support key work streams including the strategy for aligning business applications which will ensure that step change is delivered within a planned timescale by 2020. Key ICT support is available through the programme to support individual service development for service areas where all four partner councils are sharing.
Business complexity	Already sharing key back office services and are aligning policies e.g. contracts rules, procurement, cash collection and banking. More sharing of staff using common ICT infrastructure (telephony, personal ICT kit), shared applications and approach e.g. payment card industry (pci) requirements, Public Service Network etc.; further sharing with existing partners will simplify the operating model.
Overall risk to delivery of outcomes.	GREEN

2.3 Specific CMWG service outcomes

2.4 The CMWG were asked to consider some specific questions relating to the commissioning of services resulting in the following high level outcomes for the services:

What do members think are the most important things (outcomes) for the council?
- Greater service resilience if things go wrong

- Greater understanding of our customers so that we can use this to meet needs and expectations
- Improving standards of service for customers
- Empowering customer service staff to be champions for our customers
- Improving efficiency of dealing with customer and community enquiries via members making sure that staff have the right tools to do their jobs

What do members think are the most important things (outcomes) for our customers/communities?

- Effective communication with customers through all parts of their journey e.g. emails to confirm payments, change in details etc.
- A system that already knows who the customer is and their previous interactions so they don't have to repeat personal details and it's as speedy as possible
- Meeting expectations about efficient interactions using more online technology e.g. planning application payments
- A service that is available beyond the usual 9-5.
- Avoiding customers having to repeat information across departments and potentially different partners, by investment in systems which provide 'a single view of the customer'
- Automated telephone responses used appropriately to balance resource but be mindful that this is not to everyone's taste
- Accessibility to ensure all our customers can enjoy a great service
- Customers know that they are contacting CBC (branding and phone numbers) and will benefit from speaking to staff with local knowledge

Are there any special requirements that we need to think about if the service is shared with the 2020 partnership?

- Interface with Ubico is very important
- Interface with CBH e.g. two area offices
- Developing a system that can be integrated and good communication with CBH and the Trust on areas of shared interest e.g. what's on in tourism, cricket?
- Must maintain link with REST and any retained services or any future devolved services.
- Service/technology solutions must be transportable in order to support the office relocation to Delta Place.
- Service design solution must be scaleable to allow more partners to join or for services to be sold.

2.5 It is re-assuring to note that many of these outcomes are already aspirations of the 2020 Vision programme. Some of the detailed requests will be picked up by the partnership in the development and redesign of the service and the development of the Customer Access Strategy which is currently being developed to support the creation of the shared service.

2.6 **Recommendation**

In summary, the best and recommended option in the business case was for the council to progress with the 2020 Vision partnership for sharing Customer Services for the following reasons:

- Sharing under a 2020 Vision partnership is the option which has the greatest potential to deliver the outcomes framework.

- The partnership has access to overall programme investment in services of £10m and specific funding of £1.5m for ICT to finance the necessary step change in technology required to support the development of customer services. Given the council's limited

budgets it is unlikely that working alone or with fewer other councils, the council would be able to fund the likely level of investment required to acquire, implement and maintain new technologies.

- Being part of the 2020 partnership brings benefits to staff since it provides opportunities for staff for career progression/development and potential for increased remuneration where working across sites. The implementation of the Shared Customer Access Strategy provides an exciting opportunity for staff to be involved in a step change in service development. Improved technology and processes will enable staff to deliver better services and better equip them with the tools to do a good job.

The CMWG were also comfortable that the initial set of performance and service standards which reflect the 'as is' level of service and performance at Appendix 4.

The CMWG considered the business case and were happy to support the recommended option going forward to Cabinet.

2.7   As part of the process, members were asked to identify any issues that they felt scrutiny should be aware of. The only request they had was that CBC members be involved in developing the shared customer access strategy. The nature of this involvement was not determined but this is an issue that members on the Overview and Scrutiny Committee could give some thought to. The comments from Overview and Scrutiny are set out in section 9.

3.   Service design and delivery

3.1   As part of the Cabinet Member Working Groups, members had a chance to consider the proposed service design and delivery arrangements. The following principles of service design have been agreed by the 2020 Member Governance Board which included:

- Residents and businesses will have access to knowledgeable support from staff that understand their localities and can support members with their decision-making.

- Back office services will be centralised where possible and in a balanced way across the partnership, taking into account economies of scale achieved, any additional costs (e.g. initial staff travelling cost and time) and opportunities to reorganise or release office accommodation which delivers a capital sum or a rent.

In designing services to meet the outcomes specified by each council it is proposed that the following checklist is taken into account and in the design of services.

How the services will be delivered

Customer Focus	• Ensuring that the customer continues to have a **positive experience** of the service. • How customers understand **who is accountable** for the service provided to them.
Service Standards	• Implications for the **nature of the service** and the **service standards** offered to the customer (internal and external) • How the **service offer** is presented to the customer, including the location.
Customer, members & staff communication	• The general implications for **customer** communication and engagement. • The organisation of **member and staff communication** and engagement.

Options

Sourcing Options	• The **sourcing options** that are most likely to meet the

	outcomes. • How the partners will approach **collaboration** with other organisations.

Accountability

Decision-making processes	• **Governance**: how democratic decisions and delegated decision-making are organised.
Performance Management	• How **performance management** data will be managed for the new arrangements.

Implementation

People	• Interim **management arrangements**, i.e. how employees will be organised during the transition to any new arrangements. • Implications for the future **culture** of the organisation. • Implications for the **terms and conditions** of staff.
Finance	• How costs and savings will be distributed between the partners. • The potential for **income generation**.
Infrastructure	• The **technology** that will enable the new arrangements to function smoothly and efficiently.

3.2 It is acknowledged that the partnership has long experience of working together through the establishment of GO Shared Services and Ubico Ltd., and it is envisaged that lessons learnt from this process will be incorporated into the design of shared services. Initially the services would be shared through a section 101 agreement which is well-recognised in the sector and an immediately recognisable model for potential new partners. This would need to be changed if the services were moved to a different model e.g. teckal company but such changes would be subject to a further report.

4. Proposed governance and performance management arrangements

4.1 CBC members have consistently raised their concerns about how they will be involved in the performance and governance of shared services. This section sets out how this will happen and invites comment from Overview and Scrutiny members.

4.2 To support the good governance and accountability of the 2020 partnership, from April 2016 we will have the following underlined structures in place:

4.3 A Joint Committee: A formal group made up of elected members, two from each council, this has responsibility for oversight of the Partnership Venture's performance and for approving annual service plans and performance reports for each of the Partnership Venture services. Individual Joint Committee members will provide a performance overview to relevant Cabinet leads for the constituent services and to their council's Overview and Scrutiny Committees as required.

4.4 A Partnership Venture Commissioning Group (PVCG): It is proposed that this group, made up of the heads of paid services of each of the four councils, plus the Partnership Managing Director, takes the lead on performance reporting and links to councils' Cabinets, scrutiny and executive teams. The group will act as the commissioners of the Partnership Venture and this work will be undertaken collectively. The Commissioners will:

• Lead partner contributions to the Partnership Venture's preparation of its service plan and advises the Joint Committee on its approval
• Lead strategic thinking on behalf of the partners, advising the Joint Committee re-commissioning and de-commissioning; changes to needs and desired outcomes; changes to strategic risks and

opportunities.

- Lead on major stakeholder engagement with communities, elected members and strategic partners

4.5 It is also proposed that the PVCG will be supported by a Client Officers Group which collectively represents the specific interests of their individual authorities in managing performance for the given service. The extent of these roles will be influenced by the level of variations in the Partnership Venture service from partner to partner and might well reduce over time as confidence in shared arrangements increases.

4.6 **We will also have the following <u>documents</u> in place:**

4.7 <u>The Inter-Authority Agreement</u> will contain the delegation of the functions to the Joint Committee. It will also set out the obligations of the Joint Committee and the arrangements it has with its partner councils as well as covering such matters as the formation of the Joint Committee, accounting and reporting arrangements, termination provisions and dispute resolution.

<u>Annual Service Plans</u> will set out the key tasks and actions, outcomes, performance measures and service standards for each council delivered by the Partnership Venture. For 2016/17 these plans will be taken from each council's existing proposed plans. As the service do not currently have a service plan in place, these will need to be developed by the end of June 2016, ready for the first quarter performance reports. These will form the basis for the future relationship between the partners and each service delivered by the partnership venture. This will enable each service to continue to meet each council's own aims and objectives. This work will commence following the appointment of the group managers and, it is anticipated that initial service plans will be in place by the end of the first quarter. It is proposed that the service delivered from April 2016 will not change. The CMWG considered detailed schedules of the functions being delegated (Appendix 3) and existing service and performance standards / approach and were comfortable with what was being delegated. An initial set of performance and service standards which reflect the 'as is' level of service and performance is attached at Appendix 4.

5. So how will this work for CBC?

5.1 Officers at CBC are currently working with our partner councils to put together detailed working arrangements of how the client officer group will operate. We expect to have two part-time client officers covering the range of CBC services shared with the 2020 partnership. Alongside 2020 services, they will also have other clienting responsibilities including the Cheltenham Trust and Ubico.

5.2 They will be responsible for maintaining an overview of how well the partnership venture is meeting the service standards, performance indicators and needs of CBC. They will act as a conduit for information from CBC as client (both in terms of staff and elected members) to the partnership venture. They will act as a first point of contact for elected members if there are any major concerns with service delivery.

5.3 In addition, they will need to retain links with our commissioned service providers (such as CBH, the Trust and Ubico) who are also "customers" of the shared services to make sure that they continue to receive the appropriate level of service.

5.4 On a more formal basis, the two client officers will represent the council at a quarterly Client Officers' Group meeting that will bring together client officers from the four councils. This will be chaired by one of the Lead Commissioners (heads of paid service from the partnership venture commissioning group). The meeting will enable the client officers to share information about how well the services are being delivered and to support the Lead Commissioner to resolve any service delivery issues.

5.5 The outcome from the Client Officers' meeting will be that the Lead Commissioner will be in a position to effectively feedback at the PVCG performance meeting and challenge any performance issues.

5.6 Performance reports for the partnership venture itself and its constituent services will be brought to Partnership Venture Commissioning Group and the Joint Committee. The council will require an annual assurance process to be followed to feed into the production of the council's Annual Governance Statement.

5.7 The council's Head of Paid Service will then be in a position to summarise performance of the 2020 partnership for this council's Executive Board and Scrutiny Committee as appropriate.

5.8 In addition, each council's lead member on the Joint Committee will then be available for providing a performance overview to relevant Cabinet leads for the constituent services and to their council's Overview and Scrutiny Committees as required.

5.9 The 2020 Partnership Managing Director has also given an undertaking to attend Executive Board and Scrutiny Committee meetings as requested to provide updates on the programme and to respond to any concerns about the implementation of the Service Plan.

5.10 Given that members on the Overview and Scrutiny Committee have had previous experience of reviewing both corporate performance and the performance of our commissioned providers, their thoughts on the above will be valued.

6. Delegations

6.1 The functions to be delegated to the Joint Committee are as set out in Appendix 3. The Joint Committee will agree its own scheme of officer delegation and officers working within the Joint Committee services will operate within that scheme.

6.2 In order to be able to create a functioning service, the Joint Committee and its officers will undertake day-to-day operational decisions regarding those functions that are delegated in Appendix 3. These include the management of staff and resources (delegated budget) and decisions in respect of the provision of the service e.g. response to emergencies or business interruptions. These delegations were agreed at the Members Governance Board on 21st January 2016 and will be reflected in the finalisation of the Inter Authority Agreement.

6.3 The delegation of the functions in Appendix 3 will be subject to the overriding principle that the Joint Committee will undertake operational work and that strategic and policy matters (except HR policies) will be retained by the council. Therefore, the setting of fees and charges for services, including charges for green waste collection, will be retained by the council. Also, strategic decisions in respect of the usage of the council's reception areas and committee/civic space will be retained by the council.

7. Reasons for recommendations

7.1 Sharing under a 2020 Vision partnership is the option which has the greatest potential to deliver the outcomes framework in the context of reducing government support for councils.

8. Alternative options considered

8.1 As outlined in the business case at Appendix 2.

9. Consultation and feedback

9.1 Members of the CMWG welcomed the draft business case briefing and were happy to support this option going forward. The only request they had was that CBC members be involved in developing the shared customer access strategy. The nature of this involvement was not determined but this is an issue that members on the Overview and Scrutiny Committee could give some thought to.

9.2 Overview and Scrutiny committee considered the findings of the CMWG on 25/1/16. The feedback from the meeting is summarised as follows:

9.3 Overview and Scrutiny members welcomed the work of the Cabinet Member Working Group and were supportive of the proposals to share the service with the 2020 partnership. They emphasised their expectation that the transition to 2020 should be seamless from the customers' experience, specifically in relation to access by telephone. There was a specific comment from one member that the service will be better under 2020 due to the ability to access investment into back-office technology. Another member asked about clienting arrangements.

9.4 The O&S committee did not comment on the involvement of the development of the customer access strategy. However, it will be developed by officers from across the partnership with the input from the CMWG for customer services at CBC, considered by the PVCG for recommendation to the Joint Committee to agree. It will then be subject to approval by this council's Cabinet.

Report author	**Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123**
Appendices	1. Risk Assessment 2. Business case for sharing Customer and Support Services 3. In scope services. 4. Performance and Service Standards. 5. Equalities Impact Assessment.
Background information	1. Vision 2020 programme documentation.

Risk Assessment   **Appendix 1**

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likeli-hood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the decision is made to exclude all or any part of the scoped service from 2020 then it will have a negative impact upon the council's ability to: • deliver savings to meet the MTFS • invest in technology to improve service and optimise opportunities for future savings	Pat Pratley	19/1/16	3	3	9	Reduce	Cabinet to endorse proposal to share service to deliver savings and access funding to support service transformation	9/2/16	Mark Sheldon	
	If insufficient resource is available to implement new technologies then there may be a failure to realise savings and there may be a degradation to service.	Pat Pratley	19/1/16	3	3	9	Reduce	Cabinet to endorse proposal to share service to access funding to support service transformation to prevent degradation to service.	9/2/16	Mark Sheldon	
	If members' expectations are not managed then they may have expectations	Pat Pratley	19/1/16	3	3	9	Reduce	Partnership Joint Committee to agree the partnership Customer	9/2/16	Mark Sheldon	

Page 50

which cannot be delivered.							Access Strategy and Overview and Scrutiny committee to monitor performance of service.			
If key experienced staff decide to leave then this could impact negatively upon service delivery and also timescales for the implementation of new technology	Pat Pratley	19/1/16	3	3	9	Reduce	The service redesign needs to ensure that any new structure creates exciting opportunities which help to retain and attract high quality staff.	9/2/16	Mark Sheldon	

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close

This page is intentionally left blank

1. Customer and Support Services

1.1 Service description

For the purpose of this report, the customer is defined in the widest sense as anyone, whether external or internal to the organisation, who requires some form of service, including signposting and advice. Customers include residents and non-residents, businesses, partner organisations, internal departments, other councils and members.

The council's Customer and Support Services team are based at the Municipal Offices and provide support to the operations of the whole organisation.

Customer Services are the main point of contact for all enquirers who do not contact individual services directly, whether by phone, face to face or email. Customer Services either handle the enquiry at the first point of contact, signpost and redirect to another service/organisation or work in partnership with another service to resolve the enquiry or fulfil the customer's requirements.

The council's payment system is managed within the customer service function and enables customers to make payments in person at the cash hall, postal payments, mediated telephone payments, automated telephone payments and electronic payments via the council's website.

The Support Services team provide support to the entire organisation, managing incoming and outgoing post and goods, providing a courier service to the satellite locations, including Cheltenham Borough Homes and the Cheltenham Trust. They manage a central purchasing facility for stationery, office supplies and furniture. The team are the named key holders for the Municipal Offices and are responsible for opening and securing the building at the start and close of business. The team also undertake the car park income collections from the council's off street car parks and provide change to the Cheltenham Trust.

Indicative service data
- Visitors to main reception – 25,000 per annum
- Telephone calls to 262626 – 6,000 – 7,000 per month
- Emails – 700+ per month
- Works orders raised for Ubico - 16,000 per annum
- Bookings taken for bulky waste collections - 2,000+ per annum
- Garden waste subscription renewals – 15,000+ generating over £0.5m
- Municipal Office cashiers processed nearly 57,000 payments totalling £11.75m in 14/15
- Collect and process £3.5m car parking income per annum

1.2 Scope of service: (inputs)

Staff – there are 18 employees (excluding the evening custodians) which equates to 15.85 FTEs in the Customer and Support Services service with a staffing budget of £414,100 (including on costs) and a supplies and services budget of £90,600.

The evening custodians have been excluded from the above. There are three evening custodians employed to provide cover in the Municipal Offices from 5pm until close of business at approximately 8pm, Monday to Friday. They also provide ad hoc cover at the weekends. The staffing budget is £12,800.

An analysis of service functions in scope is attached at Appendix 1. This analysis indicates a degree of similarity between the 4 councils in terms of the scope of their services.

1.3 Key interdependencies

The ICT infrastructure underpins the service including telephony and switchboard; system used jointly with Ubico to raise and track works orders, garden waste database, cash receipting system, car parks cash collection database.

As the main point of contact for all council services, Customer Services liaise with all areas of the business, including REST, Elections, Revenues and Benefits and Property Services to ensure that customers continue to be correctly advised and signposted and to support business areas during periods of change or unusual or significant activity.

The service handles all customer interactions in respect of waste; recycling; cleansing; parks and gardens; pitch and pavilion hire. Customer Services work very closely with Ubico on a daily basis to handle service requests and issues.

As the "owner" of the payment system used by all areas of the council and also by Cheltenham Borough Homes, Customer Services provide support in day to day system operation, staff training and future development.

Customer Service staff liaise with GOSS in respect of payment processing and banking.

As the current proposal is to deliver the in scope services on an 'as is' basis, with current staff, there would not be any immediate impact upon the retained organisation or existing stakeholders. As such, the transfer of services into the Partnership Venture does not have any consequential impacts on our services either those provided by CBC, or those that are commissioned. The importance of the interfaces with Ubico, Cheltenham Borough Homes and the Cheltenham Trust are recognised and would continue under the 2020 arrangements.

1.4 Stakeholders

The following is an analysis of key internal and external stakeholders including a description of the interaction which will need to be maintained in an alternative service delivery arrangement.

Stakeholder	Description of interaction with service
CBH	Signposting customers, via telephone, face-to-face, automated phone message. Payment processing.
Ubico	Customer Services handle all customer enquiries in respect of waste and recycling, cleansing and parks and gardens e.g. missed bins, new bin requests, fly tipping reports. Customer Services instruct Ubico in respect of works to be undertaken, mainly by raising works orders on. Customer Services work very closely with Ubico on a day to day basis in order to be aware of operational issues affecting, or likely to affect, Ubico's service delivery. Pitch bookings – supply Ubico with details of pitches and pavilions for weekend and occasional mid-week fixtures. Liaise via telephone and email regarding issues.
Reclaim	Bulky waste collections – email spreadsheet of collections and liaise via telephone regarding queries.
Cheltenham Trust	Provision of change.
Property Services	Reporting and liaison in respect of building and equipment issues at pavilions. Municipal Offices related matters including emergency procedures.
Cemetery and Crematorium	Payment processing and courier service.
Revenues and Benefits	Signposting customers, via telephone, face-to-face, automated phone message. Payment processing. Post opening and support with outgoing post.
REST	Retrieve and return files to the depot storage. Signposting customers, via telephone, face-to-face, automated phone message. Payment processing. Car park related matters.
Elections	Handling election telephone calls over the election period.

	Providing additional postal services support over the election period. Facilitating viewings of the Register of Electors. Signposting customers, via telephone, face-to-face. Post opening and support with outgoing post.
Democratic Services including Civic functions	Meeting room layout requirements. Out of hours requirements for Civic functions. Flag flying requirements.
ICT services	Systems support and shared systems admin for the Civica cash receipting system.
GOSS	Day to day HR and finance matters. Payment and banking related matters.
DWP	Facilitation of access to the PSN to allow employees access to CIS and Tell Us Once information.
Lloyds Cardnet	Provision of merchant services for debit and credit card transactions. Liaison in respect of industry changes to card payments and PCI requirements and annual submissions.
Miscellaneous external bodies	Committee room bookings and events.
Customers, residents and businesses	Signposting, providing advice and delivering services via telephone, face-to-face, automated phone message.
Elected members	Signposting, providing advice and delivering services via telephone, face-to-face, automated phone message. Investigating reported issues and providing feedback/information.

2.   Strategic Outcomes

2.1   Overall Programme Ambition

The 2020 Vision sets out an ambition for the authorities to become more efficient and effective by working together but without sacrificing their political sovereignty, culture and local decision making – in fact, their ability to take the decisions needed for their locality would be strengthened.

2.2   Overall Programme Drivers for Change

The following key drivers were identified by the partner councils.

- Financial: we need to respond to long-term financial pressures on the four councils.

- Efficiency: we need to continue to find ways of delivering value for money (even if we didn't face the current financial pressures).

- Resilience: each authority needs a wider pool of expertise and greater capacity to respond to events.

- Impact: more depth in strategic capacity is needed to support the drive towards service improvement and wider social and economic benefits in each locality.

- Democracy: each authority needs to have sufficient resources to be able to exercise choice and community leadership so that it can champion local needs and priorities.

2.3   Agreed Outcomes Framework

As part of the initial work around the 2020 Vision the Activist consultants were commissioned to engage extensively and consult with key stakeholders across the partner councils for both potential service delivery options and options for interim management arrangements. They did this through discussions with members and senior managers including council leaders, group leaders, cabinets, chief executives, heads of paid service, other statutory officers and other members of each council's senior management team. Workshops were also held with senior managers and briefings that were open to all members in each council. This work resulted in the following collectively agreed outcomes.

Outcome	Contributory outcomes
Savings	Delivers realistic and sustainable revenue savings. Provides a positive return on investment in the medium to long term. Enables us to make further savings through partnership and better asset management. Enables opportunities for income generation.
Influence	Respects our separate identities as individual authorities. Ensures our decision making will remain locally accountable. Strengthens our ability to exercise community leadership on behalf of our localities. Allows us to retain strong local knowledge in our frontline services. Provides each authority with impartial commissioning and client side advice from people they trust.
Quality	Enhances and maintains good quality services to the public. Allows us to nurture our partnerships and take advantage of new ones. Creates organisations that are flexible and adaptable to future changes. Has governance and structures that are streamlined and easy to understand. Is widely acknowledged to be socially responsible.
Creativity	Empowers staff to be creative, collaborative and enquiring. Supports our commitment to a public service that responds to and empowers our local communities. Fosters and rewards an innovative, can-do approach to delivering services.

2.4 CMWG Service Specific Outcomes

The Cabinet Member Working Group acted as a sounding board for the development of the shared service. The following high level outcomes came from the meetings in response to some specific questions:

What do members think are the most important things (outcomes) for the council?

- Greater service resilience if things go wrong

- Greater understanding of our customers so that we can use this to meet needs and expectations

- Improving standards of service for customers

- Empowering customer service staff to be champions for our customers

- Improving efficiency of dealing with customer and community enquiries via members making sure that staff have the right tools to do their jobs

What do members think are the most important things (outcomes) for our customers/communities?

- Effective communication with customers through all parts of their journey e.g. emails to confirm payments, change in details etc.

- A system that already knows who the customer is and their previous interactions so they don't have to repeat personal details and it's as speedy as possible

- Meeting expectations about efficient interactions using more online technology e.g. planning application payments

- A service that is available beyond the usual 9-5.

- Avoiding customers having to repeat information across departments and potentially different partners, by investment in systems which provide 'a single view of the customer'

- Automated telephone responses used appropriately to balance resource but be mindful that this is not to everyone's taste

- Accessibility to ensure all our customers can enjoy a great service

- Customers know that they are contacting CBC (branding and phone numbers) and will benefit from speaking to staff with local knowledge and that any transition will be seamless.

  Are there any special requirements that we need to think about if the service is shared with the 2020 partnership?

- Interface with Ubico is very important

- Interface with CBH e.g. two area offices

- Developing a system that can be integrated and good communication with CBH and the Trust on areas of shared interest e.g. what's on in tourism, cricket?

- Must maintain link with REST and any retained services or any future devolved services.

- Service/technology solutions must be transportable in order to support the office relocation to Delta Place.

- Service design solution must be scaleable to allow more partners to join or for services to be sold.

It is re-assuring to note that many of these outcomes are already aspirations of the 2020 vision programme. Some of the detailed requests will be picked up by the partnership in the development of the Customer Access Strategy which is currently being developed to support the creation of the shared service.

2.5 Service specific Drivers for Change

As outlined above, the key drivers for sharing the new services are about improving services by sharing best practice and knowledge; investment in business systems which support the delivery of services to customers; further investment in core ICT infrastructure; reducing cost; improving efficiency and increasing service resilience.

2.5.1 Service Standards and Key Performance Indicators.

The existing Service Standards are attached at Appendix 2. Despite funding cuts the council is seeking, through the vision 2020 programme, to at least maintain the current service standards.

Page 60

The partnership councils are developing a set of standards and targets against which performance will be measured. The CMWG endorsed the principle of the development of meaningful and measurable targets and accepted the fact that the ability to collect performance information may not exist from day 1 of the partnership. Although not yet finalised, potential ideas being considered are attached at Appendix 3.

The service adopts the philosophy of the 'think customer code' at Appendix 4, which set out principles which the councils aim to adopt partnership wide.

2.5.2 Savings

Customer and Support Services has exhausted savings through restructures and no more savings can be driven out locally without impacting on service levels. The restructure of customer services which took effect from April 2011 achieved savings of £106,500 per annum which was followed by a further restructuring in Support Services in 2014 which saved an additional £34,400 per annum.

2.5.3 Service Investment

Ongoing investment will be required in order to keep up to date with advancing technology. In isolation, Cheltenham will not have either the financial or staffing resources to keep pace with the advancing technology required to deliver a service which meets customer expectations and also provides opportunities for continued efficiency savings.

2.5.4 Service Development - Customer Access Strategy

All of the Customer Services teams in the 2020 Vision partnership are keen to see the service develop in response to changing customer needs. The partnership has agreed to develop a 'Customer Access Strategy' which will set out more detailed aspirations to improve customer services by accessing funding for investment in technologies which support a step change in the service delivery including improving digital access channels.

The aims and objectives of the Customer Access Strategy are as follows:

Aim

To produce a Customer Access Strategy for all current and future 2020 customers, residents and stakeholders.

Objectives

- Understand customer needs and 'as is' customer service arrangements

- Define outcomes and Customer Service Standards

- Produce a combined Customer Access Strategy reflecting the different 'channels' and adoption of 'default to digital' principles

- Sets the overall direction for shared customer services, which will then inform areas such as resourcing levels, technology used, structures etc.

Why do we need to develop a Customer Access Strategy?

Following the investment in this council's core ICT infrastructure, there is now the need for further investment in new technology to modernise the delivery of customer services. Digital transformation or channel shift strategy is of critical importance in order to increase efficiency, streamline services, increase resilience and deliver improved customer service.

Advances in technology in recent years has resulted in the increasing use of technology and we will very soon be at a point where we are unable to meet customers' expectations in terms of how and when they are able to access council services. The way in which residents and businesses want to access local authority services is changing with over 50% of people in the UK use a mobile device to access the web as opposed to using a PC or laptop. The council's website is not device responsive and therefore not user friendly for customers who want to use their phone or tablet to access council services.

Customers' expectations in terms of communications are also increasing, if there is a problem they expect to be made aware. Goods and services are routinely accessed over the internet, phone, mobile, SMS and social media and they expect the same flexibility and choice when it comes to accessing local authority services.

Technology allows for proactive communications which as well as satisfying customer requirements and maintaining a positive reputation, also allows for messages to be pushed to customers, e.g. bank holiday bin collection days, and reduces the need for them to phone or email the council.

Todays' customers expect organisations to have intelligent systems which may be able to identify them from their previous interactions, which provides the organisation with a single view of the customer and a record of all of their previous communications. Customers expect effective communication through all parts of their journey and expect a timely, smooth and effective service with reassurances and confirmations provided where appropriate.

The 2020 partners wish to develop an approach whereby Customer Services resolve more queries and requests at first point of contact, utilising relevant systems and knowledge to deal with straightforward queries, which in turn frees up technical specialists.

It is recognised that there are circumstances and occasions where customers do not want to, or are unable to use the digital channels. Whilst a

Channel Shift strategy will seek to increase digital take up 'by choice' it will also recognise that a mediated service delivered by staff with the appropriate knowledge and expertise will still be required. Ahead of agreeing a strategy, the partnership is already looking at rolling out a 'forms' solution to deliver improvements for customers requesting and receiving services.

Shared services increase the complexity of working arrangements and it is important that Customer Services, who are the shop front of the council, have appropriate technologies in place to correctly advise and signpost customers.

3.   High level option appraisal/Business Case

3.1   In 2008/09, the council undertook a review of corporate services which was badged as a Sourcing Strategy. The conclusion of this work was that the council should agree to the creation of GOSS for Finance and HR services and develop shared services arrangements for its back office functions with other partner councils.

3.2   More recently, the activist report, commissioned by the 2020 Vision partner councils, considered the following options.

Make	Buy	Share	Divest
In-house transformation Continuous improvement Arms-length company	Outsourcing to private sector Outsource to third sector Private-sector joint ventures	Shared services Shared management Public sector joint ventures	Transfer to community management Mutualisation Devolve to parish Closure

From the sourcing options summarised in the table above, a long list of options were identified in discussion with members and senior managers that could meet the outcomes framework, three of which were immediately eliminated for reasons below:

- Large scale outsourcing for four authorities would be extremely time-consuming and expensive and would be unlikely to secure general support. The procurement process for services on this scale would also introduce a substantial delay and unacceptable risk to the delivery of savings.

- Transferring services to community management or devolving them to parishes would be too complex and impractical for the range of services under consideration.

- Closure is precisely what 2020 Vision is designed to avoid.

As part of the Activist work, other longlist sourcing options were then considered and preliminary option appraisals completed to identify which was most likely to meet the outcomes framework. A shortlisting process produced two broad strategic options that were recommended for consideration on the shortlist:

- Traditional Sharing (s101 and s102).

- Teckal and Trading Companies.

The review concluded that the councils should consider further sharing or public sector ventures.

3.3   The level of customer service delivered by a corporate team on behalf of business areas, such as Revenues and Benefits, largely depends upon how the service is delivered. Therefore whilst services still have to confirm their future delivery arrangements, alternative service delivery options such as outsourcing, have not been explored in depth for Customer Services.
As such, we are left with the following options to deliver our outcomes;

- In house – 'as is'
- 2020 Vision sharing
- Other sharing arrangements

Other sharing arrangements
Sharing with either Gloucester City and/or Tewkesbury Councils are not considered viable options for the following reasons:

- Gloucester City Council's preferred partner for sharing is Gloucestershire County Council and elements of their customer services are outsourced to Civica.

- Working with just one other authority e.g. Tewkesbury Borough Council, would neither have the potential to realise the same level of savings nor provide the same opportunities to continuously improve customer services through ongoing investment. TBC is not considered of significant size to deliver any economies of scale.

- Established arrangements are already in place with GOSS for finance and HR services. As neither Gloucester nor Tewkesbury use GOSS and as such, back office support arrangements would become very complex and duplicate process and add to cost.

12

- With the 2020 partnership providing ICT support and shared technology moving forward, working with partners outside of 2020 would prove very difficult, more expensive and add complexity i.e. staff accessing the GOSS Finance system and shared ICT but sharing with partners using different Finance and ICT systems. Although TUPE may apply to some staff, the cost of support services may not be offset by savings made by moving the provider of support services.

- There would not be any additional finance with other partner councils outside vision 2020, i.e. access to TCA funding to set the new arrangements up and invest in new technology.

However, it should be recognised that similar to the Ubico arrangement, the 2020 Vision partnership model aims to create high quality shared services which are scaleable allowing others to join or buy services at a future date.

3.4 Building on the above, a 'high level' assessment of each option's ability to deliver against the overall 2020 Vision programme drivers and the agreed outcomes framework is as follows:

	In house – 'as is'	2020 Vision sharing	Other sharing
Description of option	**Keep service in house**	**Share with four councils as part of the 2020 Vison programme**	**Sharing with other councils**
Savings/value for money	No further savings can be delivered without a detrimental impact on service since savings have already been exhausted through numerous service re-organisations and restructurings.	Sharing with four councils maximises the opportunity to benefit from economies of scale and benefits from an existing track record of working together and sharing and delivering savings from sharing e.g. GOSS and ICT.	Sharing with other/smaller number of councils provides an opportunity to make savings but this is likely to be reduced e.g. sharing management over fewer partners compared to the four councils in 2020 Vision.
		An initial savings target for the creation of the shared services of £54k has been identified, which is considered to be prudent by Cipfa and builds on the track record of savings delivered from these existing partnerships.	Other councils may not be of significant size to deliver any economies of scale requiring a more radical reduction in staffing numbers to deliver equivalent savings in a wider sharing partnership.
	No opportunity to further rationalise and reduce the cost of back office support.	Existing back office is shared e.g. GOSS and the proposal to share ICT will ensure that further economies in back office will be	Other councils do not use existing back office services e.g. GOSS and ICT, therefore these support functions would

13

		delivered though further alignment of back office including shared ICT infrastructure. The overall business case includes further savings of £43k by 2019/20 from back office which is facilitated by further sharing.	need to be replicated at a cost.
	No opportunity to share and reduce operating costs e.g. investment in systems/technology supporting the service e.g. telephony, switchboard, CRM, cash receipting system.	Maximises opportunity to share and reduce operating costs e.g. Licences for systems/technology supporting the service e.g. telephony, switchboard, CRM, cash receipting system.	Some opportunity to share and reduce costs e.g. investment in systems/ technology supporting the service e.g. telephony, switchboard, CRM, cash receipting system.
	No opportunity to make savings though shared purchasing e.g. system licences.	Maximises opportunity to make savings though shared purchasing e.g. system licences.	Maximises opportunity to make savings though shared purchasing e.g. system licences.
Pension fund viability	Does not address the longer term viability of the Local Government Pension Scheme.	Offers the potential to move to a teckal company with stakeholder pensions which are more affordable.	Does not address the longer term viability of the Local Government Pension Scheme if a section 101 shared service model were to be adopted for any sharing.
Quality	There is no guarantee that the existing scope and service standards can be maintained in the context of reduced funding.

Cannot improve the quality of the customer experience further without significant investment in technology to support the service for which there is no funding available. Any investment would have to be funded solely by the council which would impact on | There is an aspiration to ensure that the existing scope and service standards are maintained despite reduced funding.

The partners are developing a Customer Access Strategy to capture a programme of activity, including a digital strategy, 'push' out messaging to customers and potential CRM systems to improve customer services. Vision 2020 offers a significant opportunity to access TCA money fund the implementation of the strategy including £1.5m set aside for | There is some scope for maintaining existing scope and service standards are maintained despite reduced funding but this have not been explored.

Cannot improve the quality of the customer experience further without significant investment in technology to support the service for which there is no funding available. |

	the MTFS and require service cuts elsewhere to fund.	investment in business systems. Any investment above the TCA funding is shared amongst 4 partner councils.	Any investment funding would not be funded from TCA and would be shared amongst fewer partner councils and would therefore have a greater impact on the MTFS and require more service cuts elsewhere to fund.
	No opportunity to share best practice.	Co-working will enable best practice to be identified and shared.	Co-working will enable best practice to be identified and shared but from a smaller pool of knowledge.
		An analysis of service functions in scope at Appendix 1 indicates a degree of similarity between the 4 councils in terms of the scope of their services which should give members some reassurance that the services can be effectively shared.	No analysis of service functions in scope has been undertaken.
Resilience	Service is not resilient with a number of potential areas where there is little resilience. No opportunity to increase resilience.	Sharing technology and staff resources across four partners will maximise the potential to increase resilience.	Sharing technology and staff resources with other partners could help provide some increased resilience.
Creativity	Lack of investment in technology means that we are in a standstill position and unable to meet and keep up with customers' increasing expectations. This will have a detrimental impact upon the council's reputation.	Investment in new technology will provide opportunities for customer service to be delivered in different ways to meet customers' varying requirements.	Lack of investment in technology means that we are in a standstill position and unable to meet and keep up with customers' increasing expectations. This will have a detrimental impact upon the council's reputation.
		Co-working will encourage and foster creativity across the partners	Co-working will encourage and foster creativity across the partners.
		There are some well-developed relationships	Some joint working exists but less

		across the partnership which has resulted in some significant achievements e.g. stabilization of ICT infrastructure, which can be built on.	developed.
	Little scope for staff progression/ development and increased remuneration.	Maximises scope for staff progression/ development and remuneration as demonstrated by existing models e.g. GOSS and ICT model where staff work across multiple sites.	Some scope for staff progression/ development and remuneration if staff work across sites.
Influence	Separate identify, local decision making, community leadership and local knowledge not impacted. Individually, less ability to influence others e.g. government on policy, ICT providers for development or other public bodies on regional objectives.	Aspiration to ensure that separate identify, local decision making, community leadership and local knowledge is not impacted. More likely to be able to influence others e.g. government on policy, ICT providers for development or other public bodies on regional objectives.	Not explored.
Ability to deliver change	No capacity to deliver significant programme of investment and service improvement. Any service development competes for ICT support and resource for which there is no additional funding.	The 2020 Vision programme has a £10m programme of activity including funding to support key work streams including the delivery of the Customer Access Strategy and a strategy for aligning business applications which will ensure that step change is delivered within a planned timescale by 2020. Key ICT support is available through the programme to support individual service development for service areas where all four partner councils are sharing.	No capacity to deliver significant programme of investment and service improvement. For development activity requiring ICT support outside the 2020 Vision programme, access to ICT may be more challenging.

Page 68

		The structure of 2020 Vision is to group ICT and customer services under a group manager in order to deliver step change in services. This will ensure that any service development will receive focused ICT support which is fully resourced and funded.	
Business complexity	Not complex	Already sharing key back office services and are aligning policies e.g. contracts rules, procurement, cash collection and banking. More sharing of staff using common ICT infrastructure (telephony, personal ICT kit), shared applications and approach e.g. payment card industry (pci) requirements, Public Service Network etc.; further sharing with existing partners will simplify the operating model.	Established arrangements are already in place with GOSS for finance and HR services. As neither Gloucester nor Tewkesbury use GOSS and back office support arrangements would become very complex and duplicate process and add to cost. Working with partners outside of 2020 Vision would require an alternative support solution which may replicate or duplicate existing arrangements and may prove operationally more difficult and complex.
Overall risk to delivery of outcomes	RED	GREEN	AMBER

4. Financial Analysis

Savings Achievable and their Impact on the MTFS

The 2020 programme savings targets have been allocated according to the 2015/16 baseline funding position for each partner council that is part of a shared service. The costs of the new structure for Trusted Advisors has been compared to each council's baseline funding position, which is a measure of the relative size of the inputs into the service, and savings calculated accordingly. The recharge back to the council will reflect the pro-rated reduction in operating costs of the shared service.

The anticipated overall savings for this council arising directly and specifically from 2020 Vision are £581K. Further savings of £227K could potentially be achieved through the establishment of a company model.

It should be noted that the shared service savings are based on reductions in current 2015/16 staff budgets ranging from 5-20%. The percentage reductions used are indicative of likely efficiency savings using available intelligence. For Customer Services, this equates to a savings target of **£54,000** in phase 1 of the programme to be delivered in 2016/17 – 2017/18.

The savings figures are not speculative figures arrived at by the partner councils, but are based on our experience of what has actually been achieved by sharing services and have been validated by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Whilst initial savings are derived primarily from a reduction in staffing at a senior management level e.g. shared across partner councils (per the GOSS model), longer term further savings, as well as improving the customer experience, could be achieved through a number of ways:

- Service redesign, collaboration and sharing, initial and ongoing e.g. telephony and switchboard.

- Accessing Transformation Challenge Award funding (TCA) will enable investment in more efficient shared technology which meets customer needs, expectations and enables them, where appropriate, to channel shift to cheaper electronic channels.

- Enhancing knowledge and skills of a wider pool of staff.

- Joint procurement e.g. contract for shared cash receipting or CRM systems.

- Whilst the council has a strategy to tackle the current level of pension fund deficit built into the Medium Term Financial Strategy, the view of the Section 151 Officer is that the Local Government Pension Scheme (LGPS) is unsustainable into the future. An alternative employment model under consideration i.e. teckal company has the potential to offer stakeholder pensions for new joiners which reduce the cost of employment and offer a potential more affordable and sustainable option.

- Longer term new partners could join, generating further savings by sharing the service overhead e.g. management and support service infrastructure per the Ubico model.

Whilst, at this stage, the specific service management structure and indicative staffing arrangements have yet to be agreed by the Member Governance Board, the basic principle is to pool capacity and skills using existing locations for staff which should provide members with the confidence that the services will deliver our outcomes and in a way that meets our customers' expectations.

5.   Summary of analysis and conclusion

In summary, the best and recommended option for the council is to progress with the 2020 Vision partnership for sharing Customer Services for the following reasons:

Sharing under a 2020 Vision partnership is the option which has the greatest potential to deliver the outcomes framework.

The partnership has access to overall programme investment in services of £10m and specific funding of £1.5m for ICT to finance the necessary step change in technology required to support the development of customer services. Given the council's limited budgets it is unlikely that working alone or with fewer other councils, the council would be able to fund the likely level of investment required to acquire, implement and maintain new technologies.

Being part of the 2020 partnership brings benefits to staff since it provides opportunities for staff for career progression/development and potential for increased remuneration where working across sites. The implementation of the Shared Customer Access Strategy provides an exciting opportunity for staff to be involved in a step change in service development. Improved technology and processes will enable staff to deliver better services and better equip them with the tools to do a good job.

This page is intentionally left blank

Customer and Support Services

The following table details the various activities currently in scope for Customer & Support Services. The right column shows which service is offered by each partner Cheltenham (C), Forest of Dean (F), Cotswold (CO) and West Oxfordshire (WO).

Reception / Face to Face	
Provision of main reception facility includes meet and greet / drop off collection point / sales / examination of electoral register / language Support schemes	C / F / CO / WO
Face to face information provision by Customer Service team includes public access / planning / enforcement / building control / licensing / pest control / housing / public protection / benefits / waste / recycling / bulky refuse / payments	C / F / CO / WO (not all partners provide all information)
Cashier Service for Public including advice/guidance/forms	C / CO (Moreton) / WO (TCS)
Tourist information	F / CO (Moreton) / WO(Guildhall & TCS)
Enquiries Dealt with First Point of Contact – Tel/Email	
Telephone / email service/support including switchboard / signposting / payments / waste (including garden) / recycling / bulky waste / street cleansing / fly tipping / bins / dog fowling / council tax / planning / street wardens / pest control / public protection / Forest Linkline / Cotswold Careline	C / F / CO / WO - (not all partners provide all info)
Parks / gardens / sports pitch bookings	C
Housing and Homelessness	WO
Support / Administrative / Other	
Management of meeting rooms	C / F / CO / WO
Updating displays / television / information boards / websites	C / F / CO / WO
Processing cheques / payments / petty cash / Allpay / refunds	C / F
Assist electoral registration / democratic services	C / F / CO / WO
Contact for Tell Us Once	C / CO
General services including CCTV, co-ordination of PCI / SAQ submission, contact for Lloyds Cardnet contract, car park income collections, foreign pension verifications, Deposit Box, public notices, archives, trade waste bag deliveries, stationery and office supplies, vending machines	C
Mail, post and lost property service	C / WO
Custodian services and ceremonial function service	C / WO
Council tax, benefits and licensing administrative service	CO / WO
Logging complaints and customer satisfaction questionnaires	CO / WO
Web & Social Media customer Communications	CO / WO
Logging, registering and acknowledging FOI requests	WO / CO

Generic Activities – All Partners

Management of people
Management of financial resources
Management of non-financial resources
Production of reports as and when required
Attendance at meetings / dealing with member information requirements as required
Maintaining appropriate legislative/regulatory/professional knowledge/networks
Writing appropriate policies, procedures and guidance notes
Corporate responsibilities e.g. responding to FOI requests, safeguarding, business continuity, emergency response, equality, prevent, audit and health and safety

Performance and Service Standards

Customer Services

Where services are to be shared the partner councils are developing a set of standards and indicators against which future performance will be measured. These will develop as the services and ICT develops. Although not yet finalised potential ideas are being considered and members were asked for their thoughts as part of the working groups. It is accepted that the ability to collect performance information may not exist from day 1 of the partnership.

Current Cheltenham Customer Performance Indicators

Customer Services Key Performance Indicators
Number of stage 3 complaints upheld/partially upheld in favour of the customer

Current Cheltenham Customer Performance Standards

The standard for all service delivery is in accordance with the 'Think Customer Code' as detailed below;

Think Customer!
As a council the only reason we exist is to serve our community – **customer service is at the centre of all we do**. The quality of service delivery has a direct bearing on customer satisfaction and on the reputation of the council as a whole.

Action
We will:
- make our services easily available
- always listen carefully to what customers say
- give a contact name and details
- let people know what will happen next and if there will be a delay in responding
- answer all enquiries promptly and, where possible, directly (*first time fix*), and
- point people in the right direction if we can't help.

Behaviour
We will:

- treat all customers with respect and ensure sensitivity and confidentiality in the delivery of our services
- be polite, honest and helpful
- be knowledgeable, professional and courteous
- go the extra mile to provide the best possible service
- work across services to provide coordinated responses where necessary
- always react positively when things go wrong with the delivery of a service
- we will learn from our mistakes, and
- ensure that our customers help shape the services we deliver.

Communications

We will:

- communicate in a way that is easy to understand
- respond to all correspondence promptly
- welcome all feedback and ask customers regularly for their opinions about our services, and
- inform the customer of what we will do to rectify any problem and prevent recurrence.

Other customer services standards are in place these are as detail against the activities below.

Activity	Service standard
Provision of a main reception facility acting as a first point of call for visitors to the Municipal Offices	Opening hours 9am – 5pm Mon, Tues, Thurs and Friday 9.30am – 5pm Wednesday Closed public holidays Christmas and New Year opening arrangements agreed on an annual basis
Management of the Committee suite room booking facility	Acknowledge, confirm or reject bookings within 2 working days. Update display screen daily
First point of contact for telephone calls received on CBC's main telephone no (262626) Callers are either redirected to other areas of the business, signposted to organisations outside of CBC eg Highways or dealt with by the Customer	Opening hours 9am – 5pm Mon, Tues, Thurs and Friday 9.30am – 5pm Wednesday Closed public holidays Christmas and New Year opening arrangements agreed on an annual basis

Services team.	
Management and recording of Telephone messages for 262626 for the out of hours service and IVR options	Updated for all bank holiday waste collections and otherwise as appropriate.
Out of hours messages detailing, office opening hours, emergency contacts and information regarding service disruptions etc.	As required
Recording messages for other business areas including the automated telephone line.	
Checking and updating of main BT phone entries and other directories, having liaised with services to ensure that latest requirements are being met	Annually or otherwise as required
Respond to or redirect emails received in the following generic mailboxes:- enquiries@cheltenham.gov.uk (this includes Report Its) cleansing@cheltenham.gov.uk parksandgardens@cheltenham.gov.uk gardenwaste@cheltenham.gov.uk committeeroombookings@	We aim to respond to emails within 1 working day although resources do not always allow this particularly when there has been an issue which affects service delivery or generates public interest, e.g. snowfall affecting bin collections
Enquiries dealt with by Customer Services are: • All **waste and recycling** related matters, eg missed collections, request for receptacles, full skips at bring sites • All **cleansing** related matters, eg. over flowing bins, fly tips, leaves blocking drains • All **parks and gardens** related	enquiry dealt with and where appropriate works ticket raised for Ubico the same working day

matters	
Liaise with Ubico in respect of current and ongoing matters which affect customer service delivery	Daily
Election enquiries. Initial point of contact for all election enquiries. registration and postal vote enquiries during the election period	Registration and postal vote enquiries dealt with at first point of contact, either using Web Eros or a paper based system agreed with Elections.
Supervise examinations of the Full Electoral Roll	Upon request for a simple enquiry for a single street or for multiple enquiries when resources allow. Lengthy enquiries are by appointment.
Telephone payments where the customer has a reference number and just wants to pay.	At initial point of contact
Take payment and arrange for delivery of **trade waste bags**.	At initial point of contact
Take payments and arrange **bulky collections**, liaising with an external supplier in respect of the collections	Collection schedules emailed to third party Contractor by 4pm the day prior to collection.
All aspects of **garden waste schemes** (bins and bags) administration, including issuing bulk communications for subscription renewals , payment processing, scheme and income monitoring and reconciliation. Processes are in place to instructed Ubico to deliver and remove bins and where collections should not be made as the subscription has not been renewed	Customers contacted a month prior to their renewal date and additional contacts made to encourage renewal, thereby maximising renewal rates. The garden waste database is kept up to date, with payments data updated onto individual records the next working day.
All aspects of **sports pitch bookings,** issuing contracts, invoicing, liaising with	Match schedule issued to Ubico by 10am Wed for pitch requirements for the following

other CBC departments and Ubico in respect of pitch and premises related matters. Facilitate an annual meeting with adult and youth leagues representatives, Ubico and Commissioning	weekend
Face to face service and back office processing, i.e. cheques, journals and refunds.	Opening hours 9am – 5pm Mon, Tues, Thurs and Friday 9.30am – 5pm Wednesday Closed public holidays Christmas and New Year opening arrangements agreed on an annual basis
Processing payments received by other service areas eg Cemetery, Planning	All payments processed the same working day and banked the following working day.
Download Council Tax payments from the Allpay website, convert into a CSV file for uploading into Civica Open Revenues.	Within 1 working day
Provide a corporate petty cash facility. Provide systems admin support, setting up new users, changing receipt layouts, setting up new ServicePay templates Provide advice and guidance to Cheltenham Borough Homes, including training new users. Provide advice and guidance to all service areas in respect of payment related matters. Respond to emails received in payments@cheltenham.gov.uk	
Maintain a supply of, and issue radar	In accordance with agreed practice

keys and pavilion keys	
Day to day management of the **CCTV equipment**	Report any faults to Property Services the same working day
Upon authorised request examine and record requested data	Maintain documented record of viewing of system and copies of extracts made and distributed Data to be identified and saved within 5 working days of request, unless it concerns a very serious matter and is required as a matter of urgency.
Audit car park takings	Undertake weekly audit of the car park income collections
Audit and reconciliation of the Security Plus invoices	Monthly
Lloyds Cardnet – key contact	As required
Car Park Income Collections Collect, process and bank money from the council's car park	Collections made 6 days a week Monday – Saturday inclusive throughout the year. Sunday collections also undertaken on the 6 weeks leading up to Christmas. Money processed the same day of collection and banked the following working day.
Replenish tickets in parking machines and undertake basic maintenance such as freeing coin jams	As required
Produce audit tickets from each machine for parking services.	Monthly
Report and maintain a record of machine faults	As required
Undertake electricity meter readings for each car park	Monthly
Supply change to The Cheltenham Trust	Leisure@ Weekly – within 1 working day of request

	Town Hall – on an ad hoc basis
Internal mail courier service for mail between the Municipal Offices and the following sites: Cheltenham House Hesters Way and Oakley Resource Centres Cheltenham One Stop Cemetery and Crematorium Shopmobility Swindon Road Depot	Mondays, Wednesday and Fridays Cash, cheques and other valuables to be transported in security tagged wallets and signed for by all recipients.
Deliver trade waste bags	Within 2 working days of request
Custodian function	
Unlocking and securing the Municipal Offices	Monday to Friday inclusive and weekends as required
Keyholder responsibilities for the Municipal Offices – on callout list	As required
Committee suite – assist with setting up the equipment and room layout in the committee rooms	
Undertake **weekly fire alarm** tests	In accordance with testing regime to ensure all points tested and that testing is documented.
Post Room – open post and arrange for collection for Royal Mail on a daily basis. Organise special collections as required Maintain Royal Mail charging records Recharge franked mail to services Arrange couriers as required Liaise with Post Office and provide advice to Service areas Manage and arrange delivery of member's post	In accordance with procedures
Members room – clean and replenish the member's vending machine	daily
Ceremonial functions Provide support in respect of	In accordance with agreed protocol

ceremonial functions, raising and lowering flags.	

Potential Future Performance Indicators

As mentioned in the introduction there is a potential, in the future, to have some new performance indicators. Below is an example of some of the current indicators collected by Forest of Dean, West Oxfordshire and Cotswold District Councils. It may be that in the future as the services develop further meaningful indicators are developed for Cheltenham that maintain and enhance the provision of Customer Services. At the member working party discussions it was thought, in the future, it would be useful to have a Customer Satisfaction Rate for users of the Council.

Customer Services Key Performance Indicators	WODC	FoDDC	CDC
Percentage of telephone calls answered within 20 seconds	80%		80%
Percentage of telephone calls answered within 15 seconds		100%	
Percentage of telephone abandon rate	5%	5%	5%
Customer Satisfaction Rate for users of the Council	90%		90%
Percentage of enquiries dealt with at first point of contact			90%
Percentage of complaints responded to within 10 working days (council wide)	90%		80%

Equality impact assessments – for services, policies and projects

What is an equality impact assessment?
An equality impact assessment is an important part of our commitment to delivering better services for our communities. The form will help us find out what impact or consequences our functions, policies, procedures and projects have on our communities, as well as employees and potential employees.

By undertaking an impact assessment, we are able to:
- Take into account the needs, experiences and circumstances of those groups of people who use (or don't / can't use) our services.
- Identify any inequalities people may experience.
- Think about the other ways in which we can deliver our services which will not lead to inequalities.
- Develop better policy-making, procedures and services.

Background

Name of service / policy / project and date	**2020 Vision - Business case for sharing customer and support services**
Lead officer	**Mark Sheldon**
Other people involved in completing this form	**Mark Sheldon, Richard Gibson, Judy Hibbert**

Step 1 - About the service / policy / project

What is the aim of the service / policy / project and what outcomes is it contributing to	The aim of the business case for sharing Customer and Support Services is to share the service with the 2020 partnership; this will be a 4-way share between Cheltenham, Cotswolds, Forest and West Oxfordshire Councils. For the first year, the service will be shared on an "as is" basis, with no changes to the way the service is delivered. From year 1 onwards, it is likely that the service will be delivered through a Teckal company, though this will be subject to a separate business case to be considered by the Councils in late Summer / Autumn 2016. Customer Services are the main point of contact for all enquirers who do not contact individual services directly, whether by phone, face to face or email. Customer Services either handle the enquiry at the first point of contact, signpost and redirect to another service/organisation or work in partnership with another service to resolve the enquiry or fulfil the customer's requirements. The council's payment system is managed within the customer service function and enables customers to make payments in person at the cash hall, postal payments, mediated telephone payments, automated telephone payments and electronic payments via the council's website. The Support Services team provide support to the entire organisation, managing incoming and outgoing post and goods, providing a courier service to the satellite locations, including Cheltenham Borough Homes and the Cheltenham Trust. They manage a central purchasing facility for stationery, office supplies and furniture. The team are the named key holders for the Municipal Offices and are responsible for opening and securing the building at the start and close of business. The team also undertake the car park income collections from the council's off street car parks and provide change to the Cheltenham Trust. Through a cabinet Member Working Group, members agreed the most important outcomes that the services deliver: **For the council** • Greater service resilience if things go wrong • Greater understanding of our customers so that we can use this to meet needs and expectations • Improving standards of service for customers • Empowering customer service staff to be champions for our customers • Improving efficiency of dealing with customer and community enquiries via members making sure that staff have the right tools to do their jobs **For our customers/communities** • Effective communication with customers through all parts of their journey e.g. emails to confirm payments,

	change in details etc.
	• A system that already knows who the customer is and their previous interactions so they don't have to repeat personal details and it's as speedy as possible
	• Meeting expectations about efficient interactions using more online technology e.g. planning application payments
	• A service that is available beyond the usual 9-5.
	• Avoiding customers having to repeat information across departments and potentially different partners, by investment in systems which provide 'a single view of the customer'
	• Automated telephone responses used appropriately to balance resource but be mindful that this is not to everyone's taste
	• Accessibility to ensure all our customers can enjoy a great service
	• Customers know that they are contacting CBC (branding and phone numbers) and will benefit from speaking to staff with local knowledge
	Special requirements that we need to think about
	• Interface with Ubico is very important
	• Interface with CBH e.g. two area offices
	• Developing a system that can be integrated and good communication with CBH and the Trust on areas shared interest e.g. what's on in tourism, cricket?
	• Must maintain link with REST and any retained services or any future devolved services.
	• Service/technology solutions must be transportable in order to support the office relocation to Delta Place.
	• Service design solution must be scaleable to allow more partners to join or for services to be sold.
Who are the primary customers of the service / policy / project and how do they / will they benefit	Indicative service data • Visitors to main reception – 25,000 per annum • Telephone calls to 262626 – 6,000 – 7,000 per month • Emails – 700+ per month • Works orders raised for Ubico - 16,000 per annum • Bookings taken for bulky waste collections - 2,000+ per annum • Garden waste subscription renewals – 15,000+ generating over £0.5m • Municipal Office cashiers processed nearly 57,000 payments totalling £11.75m in 14/15 • Collect and process £3.5m car parking income per annum
How and where is the service / policy / project implemented	The service is based at the Municipal Offices

What potential barriers might already exist to achieving these outcomes	Declining budgets has seen significant amounts of funding already taken out of the service. Accessibility to the municipal offices for the disabled and elderly No corporate collection or recording of equality data to benchmark against.

Step 2 – What do you know already about your existing / potential customers

What existing information and data do you have about your existing / potential customers e.g. Statistics, customer feedback, performance information	• Service take-up (inc number of customer visits /telephone call/accessing services • Customer Surveys • Customer Complaints • Informal Customer Feedback • Performance data
What does it tell you about who uses your service / policy and those that don't?	We do not have a CRM system so are unable to benchmark who access the service (in terms of their equality profile) against the profile for the population of Cheltenham.
What have you learnt about real barriers to your service from any consultation with customers and any stakeholder groups?	Informal consultation and customer feedback has resulted in the way we deliver some of our services e.g. location of Chip and Pin devices identified following consultation with customer in wheelchair.
If not, who do you have plans to consult with about the service / policy / project?	None at this stage

Step 3 - Assessing community impact
How does your service / policy / project impact on different groups in the community?

Group	What are you already doing to benefit this group	What are you doing that might disadvantage this group	What could you do differently to benefit this group	No impact on this group
People from black and minority ethnic groups	The service treats all its customers within a legislative framework Relevant corporate policies re-enforce the belief that all customers should be treated fairly and equally (e.g. Think Customer) Varied levels of service provided to meet the different needs of customers including working with other agencies where necessary Staff trained to an appropriate level. Subscribe to and use a telephone interpretation service to overcome language barriers. Participate in corporate awareness initiatives e.g Bangladeshi womens' group	Forms/leaflets are not produced in different languages. There has not been any demand for this and documents/communications can be translated as and when required using the translation service. No formal monitoring is undertaken to evidence the impact of current working arrangements.	Current arrangements satisfactory	
Gender	The service treats all its customers within a legislative framework Relevant corporate policies re-enforce the belief that all customers should be treated fairly and equally (e.g. Think Customer) Staff trained to an	No formal monitoring is undertaken to evidence the impact of current working arrangements.	Current arrangements satisfactory	No differential impact on this group

	appropriate level			
Gender Reassignment				No differential impact on this group
Older people / children and young people	The service treats all its customers within a legislative framework Relevant corporate policies re-enforce the belief that all customers should be treated fairly and equally (e.g. Think Customer) Staff trained to an appropriate level.	No formal monitoring is undertaken to evidence the impact of current working arrangements. Some challenges remain with access to the Municipal Offices with people with mobility problems due to steps at front of the municipal buildings. Though good disabled access from the rear of the building.	Difficult to make any further improvements to access within current building.	
People with disabilities and mental health challenges	Provision of hearing loops and meeting rooms. Improved disabled access Provision of low level counters for customers in wheelchairs. Flexible and varied levels of service provided to meet the different needs of customers. Customer Service staff can assist customers with the completion of forms.	No formal monitoring is undertaken to evidence the impact of current working arrangements. Some challenges remain with access to the Municipal Offices with people with mobility problems due to steps at front of the municipal buildings. Though good disabled access from the rear of the building.	Difficult to make any further improvements to access within current building..	
Religion or belief	The service treats all its customers within a legislative framework Relevant corporate policies re-enforce the belief that all customers should be treated fairly and equally (e.g. Think	No formal monitoring is undertaken to evidence the impact of current working arrangements.		No impact identified

	Customer) Staff trained to an appropriate level			
Lesbian, Gay and Bi-sexual people	The service treats all its customers within a legislative framework Relevant corporate policies re-enforce the belief that all customers should be treated fairly and equally (e.g. Think Customer) Staff trained to an appropriate level	No formal monitoring is undertaken to evidence the impact of current working arrangements.		No impact identified
Marriage and Civil Partnership				No differential impact on this group
Pregnancy & Maternity				No differential impact on this group
Other groups or communities	The service treats all its customers within a legislative framework Relevant corporate policies re-enforce the belief that all customers should be treated fairly and equally (e.g. Think Customer) Staff trained to an appropriate level. Customer Service staff can assist customers with the completion of forms.	No formal monitoring is undertaken to evidence the impact of current working arrangements.		

Step 4 - what are the differences

Are any groups affected in different ways to others as a result of the service / policy / project?	The service goes the extra mile to make sure that all customers can access the service. There are access challenges to the Municipal Offices but these cannot be resolved easily. Instead, access to the service will be significantly improved with the planned office relocation. We do not have a CRM system so are unable to benchmark who access the service (in terms of their equality profile) against the profile for the population of Cheltenham.
Does your service / policy / project either directly or indirectly discriminate?	None identified
If yes, what can be done to improve this?	N/A
Are there any other ways in which the service / project can help support priority communities in Cheltenham?	Continue to explore training opportunities for staff.

Step 5 – taking things forward

What are the key actions to be carried out and how will they be resourced and monitored?	Ensure service accessibility and the discretionary support the service provides to those that need it most continues within the shared service set-up – captured in the proposed outcomes.
Who will play a role in the decision-making process?	Our two elected members on the Joint Committee
What are your / the project's learning and development needs?	None identified
How will you capture these actions in your service / project planning?	Within the annual service plan.

Agenda Item 10

Cheltenham Borough Council

9 February 2016

2020 Vision – Business case for sharing Revenues and Benefits Services

Accountable member	**John Rawson, Cabinet Member for Finance**
Accountable officer	**Mark Sheldon, Director of Resources**
Ward(s) affected	**All**
Key/Significant Decision	**Yes**
Executive summary	At Cabinet on Tuesday 13 October, as part of the agreement to the 2020 shared services partnership structure, it was agreed that further business case briefings and proposed service level agreements be received and approved by Cabinet. The documents would provide reassurance on the benefits, costs and savings to the council and demonstrate that other sharing options had been considered, prior to delegation of those services to the Joint Committee. At council on 19 October 2015, the Leader made a commitment that back-bench members would be given the opportunity to be involved in this process.

Customer and Support Services, Revenues and Benefits and Property Services were identified within the programme as the next new CBC services to be considered for sharing and would therefore be subject to further business case briefings.

Following consultation with the relevant Cabinet lead for the three services; Cllr. John Rawson, it was agreed that three Cabinet Member Working Groups (CMWG) should be established to ensure that as many members as possible were involved in the development of the business case briefings.

The groups met three times to consider 'What, How and Why' the council should consider sharing Revenues and Benefits Services including the consideration of other sharing options.

The business case attached at Appendix 2 to this report analyses the options including the option for sharing with our 2020 vision partners.

Members of the CMWG considered the options in the business case and supported the recommended option for sharing with 2020 vision partners. As such, it is recommended that Cabinet: |
| **Recommendations** | 1. **Delegate to the 2020 Vision Joint Committee those functions for Revenues and Benefits Services listed at Appendix 3 subject to delegation principles in section 6.**

2. **Authorises the Director of Resources in consultation with the Cabinet Member Finance to undertake all necessary actions and** |

	processes to implement the matters set out in this report.

Financial implications	The business case for sharing Revenues and Benefits Services with 2020 Vision partners includes an initial target for savings of £105k p.a. by 2016/17.
	The sharing of the Revenues and Benefits Services is part of the wider programme of activity which supports an alternative organisation structure which deletes the post of Chief Executive and creates the post of Head of Paid Service. The first phase of this programme will deliver savings of £150,900 in 2016/17. The further sharing of services will also deliver further savings in existing shared services e.g. GOSS, Audit and ICT of £43k in phase 3 i.e. after 2019/20.
	As a result of this related activity, the overall savings target for 2020 vison is £581k p.a. by 2020 with a potential further £227k though the establishment of a teckal company (subject to a business case in 2016).
	The 2020 Vision programme also allows the Council to access funding (including government Transformational Challenge Award - TCA funding) for investment in the development of the service.
	Contact officer: Nina Philippidis, Business Partner Accountant nina.philippidis@cheltenham.gov.uk, 01242 264121
Legal implications	The 2020 Vision Joint Committee is being established in February 2016 and will comprise eight members (two members from each partner council). The members for Cheltenham will be Councillors Walklett and Flynn.
	The partner councils will delegate prescribed functions to the Joint Committee which will then have authority to administer and undertake those functions. The Revenues and Benefits functions being delegated by the council to the Joint Committee are set out in Appendix 3 and are subject to the reservations set in section 6 of this report. The delegation of functions will be subject to the overriding principle that the Joint Committee will undertake operational work and that strategic and policy matters (except HR policies) will be retained by the council.
	The delegation of the functions and the obligations of the Joint Committee and the arrangements it has with the partner councils will be contained in the inter authority agreement.
	As the law currently stands, it is not possible for a statutory joint scrutiny committee to be established in relation to the 2020 Vision Joint Committee. Therefore, the councils' scrutiny arrangements will apply to the decisions of the Joint Committee and this includes call in of decisions.
	Contact officer: peter.lewis@tewkesbury.gov.uk, 01684 272012

HR implications (including learning and organisational development)	The decision to delegate the revs & bens service from the control of the Council to the Joint Committee will initially mean a change of senior manager for the Council's revs and bens employees. The newly created shared senior manager post is currently being advertised internally across all 4 partner councils with interviews scheduled to take place shortly. The successful candidate will remain employed by his/her current Council but on appointment he/she will be issued with a new employment contract. The new contract will contain an express term that will place the employee at the disposal of the 2020 partner Councils. This is in line with section 113 of the Local Government Act 1972 and will remove the requirement for individual secondment agreements with all the 2020 partners.
	During the initial months following the creation of the Joint Committee, existing revs & bens staff will remain employed by their current Council (i.e. no change to their roles and responsibilities, terms and conditions of employment and delivering services to their current employer). The newly appointed senior manager will work with current managers and employees to co-create the new Revs and Bens shared service structure. It is important to stress that no changes will implemented without formal consultation taking place with the two recognised trade unions and the employees involved. Following consultation on any proposed changes, new employment contracts containing the express term putting the employee at the disposal of the 2020 partner Councils will be issued.
	If the need to share staff across the partnership prior to formal consultation taking place arises then this will be permissible providing the employee consents to the proposed change to his/her contract and a formal secondment agreement is put in place.
	A protocol for cost sharing and deciding which council will be the employer for new and vacant posts is currently being drafted.
	The council and the other 2020 partner councils will continue to be supported by the GOSS HR team who will ensure that all HR policies and procedures are followed and that any issues that arise are discussed with management, employees and trade union officers from the two recognised trade unions as soon as they arise.
	Contact officer: Julie McCarthy, GOSS HR Manager **Julie.McCarthy@cheltenham.gov.uk, 01242 264355**
Key risks	As outlined in Appendix 1.
Corporate and community plan Implications	The proposal to share Revenues and Benefits Services supports the delivery of the following council's key corporate objectives for 2015/16.
	VFM 2 - We will have developed and agreed with our 2020 Vison partner councils interim proposals to deliver services in the future together with the necessary management arrangements to implement and with member involvement.
	VFM 3 - We will develop collaborative working with partner councils and prepare for the creation of the shared Revenues and Benefits Services:
	VFM 10 - We will implement the 'Bridging the Gap' programme and budget strategy for meeting the MTFS funding gap by identifying further savings / income to close gap for 2016/17 and residual MTFS budget gap.

Environmental and climate change implications	None identified at this stage. There may be some additional travel for staff working between sites in a shared service arrangement. However, recent investment in video conferencing technology linking all four council sites and the rollout of new video phones in Cheltenham funded from the programme will ensure that this is reduced to a minimum. **Gill Morris, 01242 264229, gill.morris@cheltenham.gov.uk**
Property/Asset Implications	The further sharing of services may result in further rationalisation of space which supports the reduction in the council's space requirements which will increase the potential to deliver savings from the office relocation as part of the accommodation strategy. **Contact officer: David Roberts 01242 264151, david.roberts@cheltenham.gov.uk.**

The council has undertaken an equalities impact assessment for the service. This is contained at Appendix 5.

1. Background

1.1 At Cabinet on Tuesday 13 October, as part of the agreement to the 2020 shared services partnership structure, it was agreed that further business case briefings and proposed service level agreements be received and approved by Cabinet. The documents would provide reassurance on the benefits, costs and savings to the Council and demonstrate that other sharing options had been considered, prior to delegation of those services to the Joint Committee. At Council on 19 October, the Leader made a commitment that back-bench members would be given the opportunity to be involved in this process.

1.2 Following consultation with the relevant Cabinet lead for the three services; Cllr. John Rawson, it was agreed that three Cabinet Member Working Groups should be established to ensure that as many members as possible were involved in the development of the business case briefings. The groups met for the first time in week commencing 30 November, for the second time on week commencing 14 December and for the final time on week commencing 4 January. The same format for the meetings was followed for each of the three services.

2. Cabinet Member Working Group

2.1 Review approach

The CMWG structured the meetings to consider the business case options as follows:

- Meeting 1 – to consider 'What' i.e. scoping the service, what's in scope and what's not, what's important for members about what the service does, understanding budgets and defining outcomes.

- Meeting 2 – to consider 'How' i.e. what's most important about how the service is delivered to our customers and what members expect to be included in the specification.

- Meeting 3 – To consider 'Why' i.e. review and sign-off the business case ahead of Scrutiny and Cabinet meetings.

Membership of the Cabinet Member Working Group was as follows:

Revenues and Benefits Services
Cllr John Rawson
Cllr Roger Whyborn
Cllr Tim Harman
Cllr Flo Clucas
Mark Sheldon (Director)
Richard Gibson (Commissioning)
Paul Aldridge (Service Manager)
Jayne Gilpin (Service Manager)
Ann Wolstencroft (2020 Programme)
David Neudegg (2020 Programme)

The meetings were well attended and members welcomed the opportunity to comment on and review the draft business case briefings.

2.2 Analysis of options

The business case outlined the previous investigations into delivering savings and the current landscape for sharing and discounted a number of options. The residual options remaining and analysed further included:

- In house – 'as is'
- 2020 Vision sharing
- Other sharing arrangements

The detailed business case is attached at Appendix 2. A summary of the option to share Revenues and Benefits Services with our 2020 vision partners is as follows:

Criteria	Revenues and Benefits
Savings/value for money	An initial savings target for the creation of the shared Revs and Bens Services of **£105k p.a**. has been identified, which is considered to be prudent by CIPFA and builds on the track record of savings delivered from these existing partnerships.
	Sharing with four councils maximises the opportunity to benefit from economies of scale and benefits from an existing track record of working together and sharing and delivering savings from sharing e.g. GOSS and ICT. Existing back office is shared e.g. GOSS and the proposal to share ICT will ensure that further economies in back office will be delivered through further alignment of back office including shared ICT infrastructure. The overall business case includes further savings of £43k p.a. by 2019/20 from back office which is facilitated by further sharing. Maximises opportunity to share and reduce operating costs e.g. licences for systems/technology supporting the service e.g. telephony, switchboard. Maximises opportunity to make savings though shared purchasing e.g. system licences.
Pension fund viability	Offers the potential to move to a teckal company with stakeholder pensions which are more affordable.
Quality	2020 Vision offers a significant opportunity to access £1.5m of TCA money to fund investment in the service. Any investment above the TCA funding is shared amongst four partner councils.
	There is an aspiration to ensure that the existing scope and service standards are, at least, maintained despite reduced funding. Co-working will enable best practice to be identified and shared. An analysis of service functions in scope indicates a high degree of similarity between the four councils in terms of the scope of their services which should give members some reassurance that the services can be effectively shared.
Resilience	Sharing technology and staff resources across four partner councils will maximise the potential to increase resilience particularly during the transition to Universal Credit resulting in potential loss of staff.
Creativity	There are some well-developed relationships across the partnership which has resulted in some significant achievements e.g. shared enforcement agent contract for the service and the stabilization of ICT infrastructure, which can be built on.

Criteria	Revenues and Benefits
	Co-working will encourage and foster creativity across the partners Maximises scope for staff progression/development and improving remuneration as demonstrated by existing models e.g. GOSS and ICT model where staff work across multiple sites.
Influence	Aspiration to ensure that separate identity, local decision making, community leadership and local knowledge is not impacted. More likely to be able to influence others e.g. government on policy, ICT providers for development or other public bodies on regional objectives.
Ability to deliver change	The structure of 2020 Vision is to group revenues and benefits under a group manager in order to deliver step change in services. The 2020 Vision programme has a £10m programme of activity including funding to support key work streams including the strategy for aligning business applications which will ensure that step change is delivered within a planned timescale by 2020. Key ICT support is available through the programme to support individual service development for service areas where all four partner councils are sharing.
Business complexity	Already sharing key back office services and are aligning policies e.g. contracts rules, procurement, cash collection and banking. More sharing of staff using common ICT infrastructure (telephony, personal ICT kit), shared applications and approach e.g. payment card industry (pci) requirements, Public Service Network etc.; further sharing with existing partners will simplify the operating model.
Overall risk to delivery of outcomes.	GREEN

2.3 Specific CMWG service outcomes

2.4 The CMWG were asked to consider some specific questions relating to the commissioning of services resulting in the following high level outcomes for the services:

What do members think are the most important things (outcomes) for the Council?
- High performance is sustained (and improved if possible) – regular publication of data will enable members to scrutinise performance.
- Discretionary opportunities to enhance service provision to reflect local needs and environment:
  - Empty homes
  - Second homes
  - Those in need (vulnerable people)
  - Business Improvement District
  - Those moving onto Universal Credit
- Unlock investment into technology
- Deliver appropriate savings over time

What do members think are the most important things (outcomes) for our customers / communities?
- Encouraging customers to self-serve via the web wherever possible
- But maintaining face to face and telephone support which is highly valued by customers
- Deliver excellent service levels for customers, where customer enquiries are dealt with quickly and appropriately – using the principles of first time fix.

- Ensure that we have staff with local knowledge, delivering a local service to local people.
- Facilitating access to independent benefits advice
- Ensuring that non IT literate people are not impacted or disadvantaged by the shared service.

Are there any special requirements that we need to think about if the service is shared with the 2020 partnership?
- Ensure that there is a smooth transition to Universal Credit
- Ensure that there is an effective relationship with the with single advice contract provider
- Ensure that there is an effective relationship with CBH.
- Ensuring that members have staff contact details to maintain member engagement with the service.

2.5 It is re-assuring to note that many of these outcomes are already aspirations of the 2020 vision programme. Some of the detailed requests will be picked up by the partnership in the development and redesign of the service.

2.6 **Recommendation**

In summary, the best and recommended option in the business case was for the council to progress with the 2020 Vision partnership for sharing Revenues and Benefits Services for the following reasons:

- Sharing under a 2020 Vision partnership is the option which has the greatest potential to deliver the outcomes framework.
- The partnership has access to overall programme investment in services of £10m and funding of £1.5m for ICT to finance service investment. Given the council's limited budgets it is unlikely that working alone or with fewer other councils, the council would be able to fund the likely level of investment required to acquire, implement and maintain new technologies.
- Within four years the Housing Benefit grant will have reduced by approximately £300,000 as we lose HB for working age customers. If pension age transfers two years later a further £200,000 in grants will be lost. The partnership will provide the best solution for managing this transition.
- Being part of the 2020 partnership brings benefits to staff since it provides opportunities for staff for career progression/development and potential for improvement in remuneration where working across sites. Improved technology and processes will enable staff to deliver better services and better equip them with the tools to do a good job.

The CMWG were also comfortable that the initial set of performance and service standards which reflect the 'as is' level of service and performance at Appendix 4.

Members welcomed the draft business case briefing and given the current financial situation, felt strongly that the 2020 option was the only credible option on the table.

2.7 As part of the process, members were asked to identify any issues that they felt scrutiny should be aware of. They did want to draw the following issues to the attention of scrutiny:
- They want reassurances that elected members will have oversight over the governance and performance of the shared services and would want to contribute to a debate about how this will work.
- They were reassured that service specific policy will remain with the council, but recognised that how the service is designed and delivered was up to the 2020 partnership.
- They wanted to be involved in the development of the business case for the teckal company as there are still some reservations about how this will work and possible dilution of control if the company expands.
- They would like to have further sight of future staffing arrangements once the shared service is live and suggested that members were briefed about implementation plans.

They also suggested that the council looks to avoid making any compulsory redundancies wherever possible.

3. Service design and delivery

3.1 As part of the Cabinet Member Working Groups, members had a chance to consider the proposed service design and delivery arrangements. The following principles of service design have been agreed by the 2020 Member Governance Board which included:

- Residents and businesses will have access to knowledgeable support from staff that understand their localities and can support members with their decision-making.
- Back office services will be centralised where possible and in a balanced way across the partnership, taking into account economies of scale achieved, any additional costs (e.g. initial staff travelling cost and time) and opportunities to reorganise or release office accommodation which delivers a capital sum or a rent.

In designing services to meet the outcomes specified by each council it is proposed that the following checklist is taken into account and in the design of services.

How the services will be delivered

Customer Focus	• Ensuring that the customer continues to have a **positive experience** of the service. • How customers understand **who is accountable** for the service provided to them.
Service Standards	• Implications for the **nature of the service** and the **service standards** offered to the customer (internal and external) • How the **service offer** is presented to the customer, including the location.
Customer, members & staff communication	• The general implications for **customer** communication and engagement. • The organisation of **member and staff communication** and engagement.

Options

Sourcing Options	• The **sourcing options** that are most likely to meet the outcomes. • How the partners will approach **collaboration** with other organisations.

Accountability

Decision-making processes	• **Governance**: how democratic decisions and delegated decision-making are organised.
Performance Management	• How **performance management** data will be managed for the new arrangements.

Implementation

People	• Interim **management arrangements**, i.e. how employees will be organised during the transition to any new arrangements. • Implications for the future **culture** of the organisation. • Implications for the **terms and conditions** of staff.
Finance	• How costs and savings will be distributed between the partners. • The potential for **income generation**.

Infrastructure	• The **technology** that will enable the new arrangements to function smoothly and efficiently.

3.2 It is acknowledged that the partnership has long experience of working together through the establishment of GO Shared Services and Ubico Ltd., and it is envisaged that lessons learnt from this process will be incorporated into the design of shared services. Initially the services would be shared through a section 101 agreement which is well-recognised in the sector and an immediately recognisable model for potential new partners. This would need to be changed if the services were moved to a different model e.g. teckal company but such changes would be subject to a further report.

4. Proposed governance and performance management arrangements

4.1 CBC members have consistently raised their concerns about how they will be involved in the performance and governance of shared services. This section sets out how this will happen and invites comment from overview and scrutiny members.

4.2 To support the good governance and accountability of the 2020 partnership, from April 2016 we will have the following <u>structures</u> in place:

4.3 <u>A Joint Committee:</u> A formal group made up of elected members, two from each council, this has responsibility for oversight of the Partnership Venture's performance and for approving annual service plans and performance reports for each of the Partnership Venture services. Individual Joint Committee members will provide a performance overview to relevant Cabinet leads for the constituent services and to their council's Overview and Scrutiny Committees as required.

4.4 <u>A Partnership Venture Commissioning Group (PVCG):</u> It is proposed that this group, made up of the heads of paid services of each of the four councils, plus the Partnership Managing Director, takes the lead on performance reporting and links to councils' Cabinets, scrutiny and executive teams. The group will act as the commissioners of the Partnership Venture and this work will be undertaken collectively. The Commissioners will:

- Lead partner contributions to the Partnership Venture's preparation of its service plan and advises the Joint Committee on its approval
- Lead strategic thinking on behalf of the partners, advising the Joint Committee re-commissioning and de-commissioning; changes to needs and desired outcomes; changes to strategic risks and opportunities.
- Lead on major stakeholder engagement with communities, elected members and strategic partners

4.5 It is also proposed that the PVCG will be supported by a Client Officers Group which collectively represents the specific interests of their individual authorities in managing performance for the given service. The extent of these roles will be influenced by the level of variations in the Partnership Venture service from partner to partner and might well reduce over time as confidence in shared arrangements increases.

4.6 **We will also have the following <u>documents</u> in place:**

4.7 <u>The Inter-Authority Agreement</u> will contain the delegation of the functions to the Joint Committee. It will also set out the obligations of the Joint Committee and the arrangements it has with its partner councils as well as covering such matters as the formation of the Joint Committee, accounting and reporting arrangements, termination provisions and dispute resolution.

4.8   <u>Annual Service Plans</u> will set out the key tasks and actions, outcomes, performance measures and service standards for each council delivered by the Partnership Venture. For 2016/17 these plans will be taken from each council's existing proposed plans. As the two services do not currently have a service plan in place, these will need to be developed by the end of June 2016, ready for the first quarter performance reports. These will form the basis for the future relationship between the partners and each service delivered by the partnership venture. This will enable each service to continue to meet each council's own aims and objectives. This work will commence following the appointment of the group managers and, it is anticipated that initial service plans will be in place by the end of the first quarter. It is proposed that the service delivered from April 2016 will not change. The CMWG considered detailed schedules of the functions being delegated (Appendix 3) and existing service and performance standards / approach and were comfortable with what was being delegated. An initial set of performance and service standards which reflect the 'as is' level of service and performance is attached at Appendix 4.

5. How will this work for CBC?

5.1   Officers at CBC are currently working with our partner councils to put together detailed working arrangements of how the client officer group will operate. We expect to have two part-time client officers covering the range of CBC services shared with the 2020 partnership. Alongside 2020 services, they will also have other clienting responsibilities including the Cheltenham Trust and Ubico.

5.2   They will be responsible for maintaining an overview of how well the partnership venture is meeting the service standards, performance indicators and needs of CBC. They will act as a conduit for information from CBC as client (both in terms of staff and elected members) to the partnership venture. They will act as a first point of contact for elected members if there are any major concerns with service delivery.

5.3   In addition, they will need to retain links with our commissioned service providers (such as CBH, The Trust and Ubico) who are also "customers" of the shared services to make sure that they continue to receive the appropriate level of service.

5.4   On a more formal basis, the two client officers will represent the council at a quarterly Client Officers Group meeting that will bring together client officers from the four councils. This will be chaired by one of the Lead Commissioners (heads of paid service from the Partnership Venture Commissioning Group). The meeting will enable the client officers to share information about how well the services are being delivered and to support the Lead Commissioner to resolve any service delivery issues.

5.5   The outcome from the Client Officers meeting will be that the Lead Commissioner will be in a position to effectively feedback at the PVCG performance meeting and challenge any performance issues.

5.6   Performance reports for the partnership venture itself and its constituent services will be brought to Partnership Venture Commissioning Group and the Joint Committee. The council will require an annual assurance process to be followed to feed into the production of the council's Annual Governance Statement.

5.7   The council's Head of Paid Service will be then in a position to summarise performance of the 2020 partnership for this council's Executive Board and Scrutiny Committee as appropriate.

5.8   In addition, each council's lead member on the Joint Committee will then be available for providing a performance overview to relevant Cabinet leads for the constituent services and to their council's Overview and Scrutiny Committees as required.

5.9   The 2020 Partnership Managing Director has also given an undertaking to attend Executive Board and Scrutiny Committee meetings as requested to provide updates on the programme and

to respond to any concerns about the implementation of the Service Plan.

5.10 Given that members on the Overview and Scrutiny Committee have had previous experience of reviewing both corporate performance and the performance of our commissioned providers, their thoughts on the above will be valued.

6. Delegations

6.1 The functions to be delegated to the Joint Committee are as set out in Appendix 3. The Joint Committee will agree its own scheme of officer delegation and officers working within the Joint Committee services will operate within that scheme.

6.2 In order to be able to create a functioning service, the Joint Committee and its officers will undertake day-to-day operational decisions regarding those functions that are delegated in Appendix 3.These include the management of staff and resources (delegated budget) and decisions in respect of the provision of the service e.g. response to emergencies or business interruptions. These delegations were agreed at the Members Governance Board on 21st January 2016 and will be reflected in the finalisation of the Inter Authority Agreement.

6.3 The delegation of the functions in Appendix 3 will be subject to the overriding principle that the Joint Committee will undertake operational work and that strategic and policy matters (except HR policies) will be retained by the council. With regard to Revenues and Benefits in particular, the following matters are specifically excluded as set out:

Subject	CBC Policy Approval?	CBC Retained Decisions?
1) Business Rates - Discretionary Rate Relief Policy	Yes	Yes
2) Business Rates – Hardship Relief Policy	Yes	Yes - all
3) Business Rates – Retail Reliefs Policy	Yes	Yes – appeals only
4) Business Rates – Discretionary Transition Relief Policy	Yes	No
5) Council Tax – Empty Properties	Yes	No
6) Council Tax – Locally Defined Discounts	Yes	Yes - all
7) Council Tax – Support Scheme	Yes	No
8) Housing Benefit Policy – Discretionary Housing Payments	Yes	No
9) Housing Benefit Safeguard Policy - Local Housing Allowance	Yes	No

7. Reasons for recommendations

7.1 Sharing under a 2020 Vision partnership is the option which has the greatest potential to deliver the outcomes framework in the context of reducing government support for councils.

8. Alternative options considered

8.1 As outlined in the business case at Appendix 2.

9. Consultation and feedback

9.1 Members of the CMWG welcomed the draft business case briefing and members welcomed the draft business case briefing and given the current financial situation, felt strongly that the 2020 option was the only credible option on the table.

- They want reassurances that elected members will have oversight over the governance and performance of the shared services and would want to contribute to a debate about how this will work.

- They were reassured that service specific policy will remain with the council, but recognised that how the service is designed and delivered was up to the 2020 partnership.

- They wanted to be involved in the development of the business case for the teckal company as there are still some reservations about how this will work and possible dilution of control if the company expands.

- They would like to have further sight of future staffing arrangements once the shared service is live and suggested that members were briefed about implementation plans. They also suggested that the council looks to avoid making any compulsory redundancies wherever possible.

9.2 Overview and Scrutiny committee considered the findings of the CMWG on 25/1/16. The feedback from the meeting is summarised as follows:

9.3 Overview and Scrutiny members welcomed the work of the Cabinet Member Working Group and were supportive of the proposals to share the service with the 2020 partnership. They emphasised their expectation that the transition to 2020 should be seamless from the customers' experience, specifically in relation to access by telephone. There was a specific comment from one member that the service will be better under 2020 due to the ability to access investment into back-office technology. Another member asked about clienting arrangements.

Report author	Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123

Appendices	1. Risk Assessment
	2. Business case for sharing Revenues and Benefits Services
	3. In scope services.
	4. Performance and Service Standards.
	5. Equalities Impact Assessment
Background information	1. Vision 2020 programme documentation.

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likeli-hood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the decision is made to exclude all or any part of the scoped service from 2020 then it will have a negative impact upon the council's ability to: • deliver savings to meet the MTFS • invest in technology to improve service and optimise opportunities for future savings	Pat Pratley	19/1/16	3	3	9	Reduce	Cabinet to endorse proposal to share service to deliver savings and access funding to support service transformation	9/2/16	Mark Sheldon	
	If insufficient resource is available to implement new technologies then there may be a failure to realise savings and there may be degradation to service.	Pat Pratley	19/1/16	3	3	9	Reduce	Cabinet to endorse proposal to share service to access funding to support service transformation to prevent degradation to service.	9/2/16	Mark Sheldon	

If members' expectations are not managed then they may have expectations which cannot be delivered.	Pat Pratley	19/1/16	3	3	9	Reduce	Partnership Joint Committee to monitor the performance of service.	9/2/16	Mark Sheldon	
If key experienced staff decide to leave then this could impact negatively upon service delivery and also timescales for the implementation of new technology	Pat Pratley	19/1/16	3	3	9	Reduce	The service redesign needs to ensure that any new structure creates exciting opportunities which help to retain and attract high quality staff.	9/2/16	Mark Sheldon	

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close

1.   Revenues and Benefits Services

1.1   Service description

The council's Revenues and Benefits Services team are based at the Municipal Offices and provides welfare support, principally housing benefit and council tax, to the residents of Cheltenham.

Revenues Service

The Revenues service administers and collects council tax in respect of domestic properties and business rates in respect of all commercial properties. It also provided a client support service to Forest of Dean District Council in respect of its outsourced Revenues & Benefits Service

Workload Statistics

	Number of properties	Annual debit after discounts & council tax support	2014/15 collection rate
Council Tax	54,570	£60.0m	98.08%
Business Rates	4,055	£56.5m	98.12%

Indicative service data
Council tax

- Process about 25,000 change of addresses, 30,000 other account changes and issue over 130,000 bills in a year
- Receive 40,000 telephone calls, approximately 12,000 emails and seen over 5,000 customers in the reception area
- Issue 23,000 reminder notices, 4,500 summonses and 10,000 other recovery letters and notices
- Approximately 5,000 households receive council tax support worth just under £6m

Business Rates
- Process about 1,200 occupancy changes, 2,000 other account changes, issue over 8,000 bills and 1,800 recovery notices in a year
- Receive 3,500 telephone calls and about 2,500 emails
- Issue 1,600 reminder notices, 200 summonses and 500 other recovery letters and notices

Benefits Service

The benefits service has traditionally provided welfare support for residents. The benefits service is undergoing considerable transformation and is at the heart of the government's welfare changes, providing help and support as people transfer to the new universal credit, implementing the bedroom cap and bedroom tax restrictions along with all the other benefit changes/restrictions being introduced.

Indicative service data

- Process updates, changes and new claims totalling approximately 51,000 annually.
- Taking 38,000 telephone calls and interviewing 16,000 customers in our reception area.
- Scanned and referenced over 100,000 benefit and council tax documents.
- Paid £37 million in help towards rent and council tax support.
- Paid £116,000 in additional help from the council's discretionary fund (DHP).
- Income validation on Disabled Facilities Grants totalling approximately 50 cases a year.

Workload Statistics

Housing Benefit	Working age	Pension age	Total
Council tenants	1,889	1,043	2,932
Housing association tenants	1,242	423	1,665
Private tenants	1,737	443	2,181
Council tax support			
Council tax support (owners plus joint claims)	4,326	3,136	7,462

1.2   Scope of service: (inputs)

Benefits Service

Staff – there are 20 employees which equates to 17.67 FTEs in the Benefits Service with a staffing budget of £555,500 (including on costs) and a supplies and services budget of £73,400. The current cost to the council after taking into account government grants and additional internal recharges for support services and depreciation is around £50,000.

In 2015/16 the council received £415,700 in HB admin subsidy, £109,900 for council tax support admin and an additional £33,200 for Local Housing Allowance admin.

Revenues Service
Staff – there are 17 employees which equates to 16.2 FTEs in the Revenues Service with a staffing budget of £455,000 (including on costs) and a supplies and services budget of £120,000. We receive a Government grant for the cost of collection of business rates which is £183,200 for 2016/16 The net cost of service, including internal recharges for support services and depreciation, is around £392,000

An analysis of service functions in scope is attached at Appendix 1. This analysis indicates a high degree of similarity between the 3councils in terms of the scope of their services.

1.3 Key interdependencies

The service is transactional and is therefore totally reliant on the ICT infrastructure and both the Civica revenues and Benefits software system and Civica cash receipting system

The service teams deal with all customers, face to face and by telephone to provide advice and support to customers, many of whom are vulnerable. The administration of the system, day to day operation, staff training, future development and liaison with the supplier is all undertaken within the service

Staff in the service liaises with GOSS in respect of payment processing, banking forecasting, budget monitoring, business rates retention and taxbase forecasting and monitoring.
Cheltenham Borough Homes for tenancy changes and payment of housing benefit

As the current proposal is to deliver the in scope services on an 'as is' basis, with current staff, there would not be any immediate impact upon the retained organisation or existing stakeholders. The importance of the interfaces with Cheltenham Borough Homes and other Council services are recognised and would continue under the 2020 arrangements.

1.4 Stakeholders can you merge / simply the table below please

The following is an analysis of key internal and external stakeholders including a description of the interaction which will need to be maintained in an alternative service delivery arrangement.

Key stakeholders - Benefits service

Stakeholder	Description of interaction with service
Council Tax	Council tax support on council tax records. Council tax records are amended to reflect all changes & revised bills issued. Exchange of information affecting both council tax & council tax support records Shared integrated revenues & benefits system

Customer service /telephony/post room	Customers signposted in reception area. Some calls received via switchboard. Post opening/sending by the post room Tell us once information from DWP received via customer services
Private sector housing (house in multiple occupation)	Exchange of required information
Customer Relations (complaints, FOI's)	Complaints, FOI & data subject access requests received and responded to via customer relations. Advice/support received on customer issues
Disabled grants team	Exchange of required information, checking application details
ICT	General ICT plus system support for revenues & benefits systems
GOSS	Day to day HR and finance matters Liaison re benefits subsidy grants
Other shared council services	Homeless prevention/ housing options Property Audit services – Fraud contract (SPOC) One Legal
Cheltenham Borough Homes	Housing benefit & discretionary housing payments for CBC & CBH tenants Day to day exchange of information Liaison with Benefit and Money advice officer
Other agencies /councils	Other local authorities in county
Department for work & Pensions	Access to PSN & CIS Receipt of information for housing benefit and council tax support claims
Miscellaneous external bodies	HMRC DCLG Information and advice etc. on council tax support

	Cheltenham Job centre Pension service - County council services – Social services/ fostering team/supporting people/client affairs - Police - Valuation officer – rent officer decisions/ Valuation Tribunal Service – council tax support appeals
Other	**General** MP's office Debt collection agency – benefit overpayment debts Cheltenham Community Partnership (CCP) – welfare contract with council Citizen Advice Bureau (CAB) Housing Aid Christians against poverty P3 – Homeless contract Social landlords Private landlords
Customers, residents and businesses	Signposting, providing advice and delivering services via telephone, face-to-face, automated phone message.
Elected members	Signposting, providing advice and delivering services via telephone, face-to-face, automated phone message. Investigating reported issues and providing feedback/information.

Key stakeholders – Revenues Service

Stakeholder	Description of interaction with service
Benefits Service	Council tax support on council tax records. Council tax records are amended to reflect all changes & revised bills issued. Exchange of information affecting both council tax & council tax support records Shared integrated revenues & benefits system
Customer service /telephony/post room	Customers signposted in reception area. Some calls received via switchboard. Post opening/sending by the post room Tell us once information from DWP received via customer services

	Payments made via cashiers
Private sector housing (house in multiple occupation)	Supply of information and liaison on empty properties
Customer Relations (complaints, FOI's)	Complaints, FOI & data subject access requests received and responded to via customer relations. Advice/support received on customer issues
ICT	General ICT plus system support for revenues & benefits systems
GOSS	Day to day HR and finance matters. Payment and banking related matters Information provided for budget monitoring Information provided/liaison/working together on business rates retention and taxbase forecasting and monitoring. Section 151 certification of statutory returns
Other shared council services	Housing options One Legal Audit Property Services
REST	Supply and exchange of information for statutory functions Supply and exchange of information for LLPG Receipt of planning and building control information affecting council tax & business rate records
Cheltenham Borough Homes	Weekly lettings list & exchange of property information Payment of council tax accounts Limited access to revenues & benefits system for certain CBH staff & Benefit and Money Advice Officer Benefit and Money Advice Officer – supply of information Payments made at area offices
Other agencies /councils	Other local authorities in county - exchange and sharing of information, revenues & benefits manager group Forest of Dean District council generally and specifically for client support arrangements Gloucestershire County Council – taxbase, business rates retention figures, annual council tax leaflet Police and Crime commissioner – taxbase, annual council tax leaflet

	Other local authorities for exchange of information DWP – supply of information and attachment to benefit requests
Department for communities and local government	Information and advice etc. on council tax and business rate matters Provision of statutory information Completion of statutory returns
Valuation Office Agency	Weekly and ad-hoc provision and exchange of information on changes affecting the valuation list (council tax bands) and rating list (rateable values) Attend liaison meetings, day to day liaison
Civica Ltd	Revenues & Benefits software supplier
Miscellaneous external bodies	HMRC – Provision of information Valuation Tribunal Service – rateable value, council tax liability and council tax support appeals Bacs – Direct debit and Bacs payment processing
Enforcement Agents	Statutory enforcement action on council tax and business rate debts
Other	**General** MP's office - Cheltenham Community Partnership (CCP) – welfare contract with council Citizen Advice Bureau (CAB) and other debt advice agencies Landlords, Letting Agents, Property Agents
Customers, residents and businesses	Issuing bills, notices etc, providing advice and delivering services via telephone, face-to-face, email and responding to all correspondence
Elected members	Providing information and advice, queries. Investigating reported issues and providing feedback/information.

2. Strategic Outcomes

2.1 Overall Programme Ambition

The 2020 Vision sets out an ambition for the authorities to become more efficient and effective by working together but without sacrificing their political sovereignty, culture and local decision making – in fact, their ability to take the decisions needed for their locality would be strengthened.

2.2 Overall Programme Drivers for Change

The following key drivers were identified by the partner councils.

- Financial: we need to respond to long-term financial pressures on the four councils.

- Efficiency: we need to continue to find ways of delivering value for money (even if we didn't face the current financial pressures).

- Resilience: each authority needs a wider pool of expertise and greater capacity to respond to events.

- Impact: more depth in strategic capacity is needed to support the drive towards service improvement and wider social and economic benefits in each locality.

- Democracy: each authority needs to have sufficient resources to be able to exercise choice and community leadership so that it can champion local needs and priorities.

2.3 Agreed Outcomes Framework

As part of the initial work around the 2020 Vision the Activist consultants were commissioned to engage extensively and consult with key stakeholders across the partner councils for both potential service delivery options and options for interim management arrangements. They did this through discussions with members and senior managers including council leaders, group leaders, cabinets, chief executives, heads of paid service, other statutory officers and other members of each council's senior management team. Workshops were also held with senior managers and briefings that were open to all members in each council. This work resulted in the following collectively agreed outcomes.

Outcome	Contributory outcomes
Savings	Delivers realistic and sustainable revenue savings.
	Provides a positive return on investment in the medium to long term.
	Enables us to make further savings through partnership and better asset management.
	Enables opportunities for income generation.
Influence	Respects our separate identities as individual authorities.
	Ensures our decision making will remain locally accountable.
	Strengthens our ability to exercise community leadership on behalf of our localities.
	Allows us to retain strong local knowledge in our frontline services.
	Provides each authority with impartial commissioning and client side advice from people they trust.
Quality	Enhances and maintains good quality services to the public.
	Allows us to nurture our partnerships and take advantage of new ones.
	Creates organisations that are flexible and adaptable to future changes.
	Has governance and structures that are streamlined and easy to understand.
	Is widely acknowledged to be socially responsible.
Creativity	Empowers staff to be creative, collaborative and enquiring.
	Supports our commitment to a public service that responds to and empowers our local communities.
	Fosters and rewards an innovative, can-do approach to delivering services.

2.4 CMWG Service Specific Outcomes

The Cabinet Member Working Group acted as a sounding board for the development of the shared service. The following high level outcomes came from the meetings in response to some specific questions:

What do members think are the most important things (outcomes) for the Council?
- High performance is sustained (and improved if possible) – regular publication of data will enable members to scrutinise performance

9

- Discretionary opportunities to enhance service provision to reflect local needs and environment:
  - Empty homes
  - Second homes
  - Those in need (vulnerable people)
  - Business Improvement District
  - Those moving onto Universal Credit

- Unlock investment into technology

- Deliver appropriate savings over time

What do members think are the most important things (outcomes) for our customers / communities?
- Encouraging customers to self-serve via the web wherever possible

- But maintaining face to face and telephone support which is highly valued by customers

- Deliver excellent service levels for customers, where customer enquiries are dealt with quickly and appropriately – using the principles of first time fix.

- Ensure that we have staff with local knowledge, delivering as local service to local people.

- Facilitating access to independent benefits advice

- Ensuring that non IT literate people are not impacted or disadvantaged by the shared service.

Are there any special requirements that we need to think about if the service is shared with the 2020 partnership?
- Ensure that there is a smooth transition to universal credit

- Ensure that there is an effective relationship with the with single advice contract provider

- Ensure that there is an effective relationship with CBH.

- Ensuring that Members have staff contact details to maintain member engagement with the service.

It is re-assuring to note that many of these outcomes are already aspirations of the 2020 vision programme.

2.5 Service specific Drivers for Change

As outlined above, the key drivers for sharing the new services are about improving services by sharing best practice and knowledge; investment in business systems which support the delivery of services to customers; further investment in core ICT infrastructure; reducing cost; improving efficiency and increasing service resilience.

2.5.1 Service Standards and Key Performance Indicators.

The existing Service Activities and Standards are attached at Appendix 2. Despite funding cuts the council is seeking, through the vision 2020 programme, to at least maintain the current service standards.

The partnership councils are developing a set of standards and targets against which performance will be measured. The CMWG endorsed the principle of the development of meaningful and measurable targets and accepted the fact that the ability to collect performance information may not exist from day 1 of the partnership. Although not yet finalised, potential ideas being considered are attached at Appendix 3.

2.5.2 Savings

Revenues and Benefits Services has exhausted savings through restructures and no more savings can be driven out locally without impacting on service levels. The most recent restructure of the service in 2013/14 delivered £88,000 per annum.

Up until this year the majority of the Benefit Service costs were funded by the government, with efficiency savings being made in the department on an ongoing basis which kept pace with the annual reductions in grants. Over the next four years all our housing benefit working age customers who be transferred to Universal credit and as a result funding will significantly reduce meaning a greater contribution will have to be made by the Local Authority, so the council will need to find further savings and manage the transition to ensure business resilience as staffing numbers reduce. Sharing is now the only remaining opportunity to attempt to sustain the service in response to cuts in government funding as a result of the government desire to tackle the national deficit.

2.5.3 Transition to Universal Credit / response to changes in Government policy

The significant changes to legislation e.g. Business rates and welfare reforms present considerable challenge to councils. The move to Universal Credit is both complex and challenging due to the long implementation period and gradual migration of benefit groups over a number of years. The DWP has issued guidance to all councils indicating that TUPE will not apply for staff whose work will disappear when it is migrated from councils to the DWP. As such, staff may decide to leave the council's employment prior to the 'go live' date for full implementation of Universal Credit.by 2021.

In addition, the reform of business rates is also complex. In isolation, the council is struggling to manage these changes in a period of reduced funding. However, by sharing resources and technical skills the council can, at least, avoid duplication of effort and share knowledge. This has been already demonstrated in the clienting contract for the Forest of Dean's outsourced service which is now undertaken by the council. A shared service provides opportunities to do more of this.

2.5.4 Service Investment

At some point in the future, most likely post full implementation of Universal Credit, the council will need to invest in a new revenues and benefits system. This will be a major project which will require significant planning and cost. Such investment could be shared in a Shared Service arrangement.

2.5.5 Service Development

There is no scope to make further efficiencies in isolation. However, there is the potential to review service delivery with other councils sharing best practice which may assist in the development of the service. There is the potential to share workloads to deal with peaks and troughs, avoiding the use of expensive agency workers or reviewing administrative arrangements.

3. High level option appraisal/Business Case

3.1 In 2008/09, the council undertook a review of corporate services which was badged as a Sourcing Strategy. The conclusion of this work was that the council should agree to the creation of GOSS for Finance and HR services and develop shared services arrangements for its back office functions with other partner councils.

3.2 More recently, the activist report, commissioned by the 2020 Vision partner councils, considered the following options.

Make	Buy	Share	Divest
In-house transformation Continuous improvement Arms-length company	Outsourcing to private sector Outsource to third sector Private-sector joint ventures	Shared services Shared management Public sector joint ventures	Transfer to community management Mutualisation Devolve to parish Closure

From the sourcing options summarised in the table above, a long list of options were identified in discussion with members and senior managers that could meet the outcomes framework, three of which were immediately eliminated for reasons below:

Page 118

- Large scale outsourcing for four authorities would be extremely time-consuming and expensive and would be unlikely to secure general support. The procurement process for services on this scale would also introduce a substantial delay and unacceptable risk to the delivery of savings.

- Transferring services to community management or devolving them to parishes would be too complex and impractical for the range of services under consideration.

- Closure is precisely what 2020 Vision is designed to avoid.

As part of the Activist work, other longlist sourcing options were then considered and preliminary option appraisals completed to identify which was most likely to meet the outcomes framework. A shortlisting process produced two broad strategic options that were recommended for consideration on the shortlist:

- Traditional Sharing (s101 and s102).

- Teckal and Trading Companies.

The review concluded that the councils should consider further sharing or public sector ventures.

3.3 Turning specifically to the Revenues and Benefit Services, the council has previously considered:

- April 2010 ACS Ltd review: Cheltenham Borough, Gloucester City and Tewkesbury Borough councils joining a consortium of other councils in the South Worcestershire Revenues and Benefits Service (SWRBSS) consisting of South Worcester City council, Malvern Hills District and Wychavon District councils.

- April 2010 ACS Ltd review: Sharing with Gloucester City council and Tewkesbury Borough Council

- 2013/14: Contract with Capacity Grid

- 2013/14: Outsourcing to Civica.

The outcome of the consideration of these options was as follows.

3.3.1 Cheltenham Borough council, Gloucester City council and Tewkesbury Borough Council joining a consortium of councils in the South Worcestershire shared service (SWRBSS).

The business case assumed closing the cash hall; a requirement for staff to undertake more homeworking; merging of the operational sites in the South (serving the Gloucestershire authorities) into one which may not be Cheltenham and performance and retention of quality management and monitoring (a statutory client function) by the council. The modelling proposed a significant reduction in staffing across the partnership mainly through sharing managerial or supervisory staff and recommended a contract for services from the SWRBSS. Ultimately this option was rejected since it was considered that the savings generated (£132,000 pa from year 3) could be made by the council changing its operating model to mirror the proposals e.g. closure of the cash hall but with less impact on the customer.

3.3.2 Sharing with Gloucester City council and Tewkesbury Borough Council.

The business case assumed closing the cash hall; a requirement for staff to undertake more homeworking; merging of operational sites (serving all 3 authorities) into one which may not be Cheltenham and performance and retention of quality management and monitoring (statutory client function) by the council. Ultimately this option was rejected since it was considered that the savings generated (£28k p.a. assuming median projection of staffing levels from year 3) could be made by the council changing its operating model to mirror the proposals e.g. closure of the cash hall but with less impact on the customer.

Since then, Gloucester City Council has outsourced its Revenues and Benefits Service to Civica and is therefore no longer an option for a shared service.

3.3.3 Contract with Capacity Grid

This model proposed contracting with a company, Capacity Grid, who undertook work for numerous councils across the country under a shared working arrangement, to buy and sell capacity to process claims. Workloads would be moved to where capacity existed around the country to ensure that targets for processing were met. The model assumed one off set up costs and an ongoing support and maintenance fee for the service but with the onus on the council to reduce staffing numbers to make the savings of around £60-70k p.a. Ultimately this option was rejected since it was felt that there was considerable risk to the delivery of the savings based on the operating model proposed which could be exceeded by a service restructuring, which was implemented instead.

3.3.4 Outsourcing to Civica.

In 2013, the council considered outsourcing the Revenues and Benefits Service to Civica. A considerable amount of work was undertaken to establish the basis for a contract analysing workloads in the council. Ultimately this option was rejected since the councils pension deficit required the retention of the contribution for staff transferring into the externalised service which offset the potential savings (£130k p.a.) to be made by outsourcing the service to Civica.

More recently, Cheltenham Borough Council has won the Forest of Dean District council contract for the client function for its outsourced Revenue & Benefits service provided by Civica and therefore has first-hand experience of the quality of service provided.

3.3.5 Residual options

As such, we are left with the following options to deliver our outcomes;

- In house – 'as is'
- 2020 Vision sharing
- Other sharing arrangements.

Other sharing arrangements

The Council has re-considered sharing with other councils. Gloucester city is outsourced to civica and is therefore no longer an option and Stroud District council is not keen to share services. This leaves Tewkesbury Borough Council, which is not considered a viable option for the following reasons:

- Working with just one other authority would neither have the potential to realise the same level of savings nor provide the same opportunities to continuously improve customer services through ongoing investment. TBC is not considered of significant size to deliver any economies of scale.

- Established arrangements are already in place with GOSS for finance and HR services. Since Tewkesbury do not use GOSS, back office support arrangements would become very complex and duplicate process and add to cost.

- With the 2020 partnership providing ICT support and shared technology moving forward, working with partners outside of 2020 would prove very difficult, more expensive and add complexity i.e. staff accessing the GOSS Finance system and shared ICT but sharing with partners

using different Finance and ICT systems. Although TUPE may apply to some staff, the cost of support services may not be offset by savings made by moving the provider of support services.

- There would not be any additional finance with other partner councils outside vision 2020, i.e. access to TCA funding to set the new arrangements up and invest in new technology.

However, despite this, the 2020 Vision partnership model aims to create high quality shared services which are scaleable allowing others to join or buy services at a future date.

3.4 Building on the above, a 'high level' assessment of each option's ability to deliver against the overall 2020 Vision programme drivers and the agreed outcomes framework is as follows:

	In house – 'as is'	2020 Vision sharing	Other sharing
Description of option	**Keep service in house**	**Share with councils as part of the 2020 Vison programme**	**Sharing with other councils**
Savings/value for money	No further savings can be delivered without a detrimental impact on service since savings have already been exhausted through numerous service re-organisations and restructurings.	Sharing with 2020 partner councils maximises the opportunity to benefit from economies of scale and benefits from an existing track record of working together and sharing and delivering savings from sharing e.g. GOSS and ICT. An initial savings target for the creation of the shared services of £105k p.a. has been identified, which is considered to be prudent by Cipfa and builds on the track record of savings delivered from these existing partnerships.	Sharing with other/smaller number of councils provides an opportunity to make savings but this is likely to be reduced e.g. sharing management over fewer partners compared to the councils in the 2020 Vision partnership. Other councils are not be of significant size to deliver any economies of scale requiring a more radical reduction in staffing numbers to deliver equivalent savings in a wider sharing partnership.
	No opportunity to further rationalise and reduce the cost of back office support.	Existing back office is shared e.g. GOSS and the proposal to share ICT will ensure that further economies in back office will be delivered though further alignment of back	Other councils do not use existing back office services e.g. GOSS and ICT, therefore these support functions would need to be replicated at a cost.

16

		office including shared ICT infrastructure. The overall business case includes further savings of £43k p.a. by 2019/20 from back office which is facilitated by further sharing.	
	No opportunity to share and reduce operating costs e.g. investment in systems/technology supporting the service e.g. telephony, switchboard,	Maximises opportunity to share and reduce operating costs e.g. Licences for systems/technology supporting the service e.g. telephony, switchboard.	Some opportunity to share and reduce costs e.g. investment in systems/ technology supporting the service e.g. telephony, switchboard.
	No opportunity to make savings though shared purchasing e.g. system licences.	Maximises opportunity to make savings though shared purchasing e.g. system licences.	Some opportunity to make savings though shared purchasing e.g. system licences.
Pension fund viability	Does not address the longer term viability of the Local Government Pension Scheme.	Offers the potential to move to a teckal company with stakeholder pensions which are more affordable.	Does not address the longer term viability of the Local Government Pension Scheme if a section 101 shared service model were to be adopted for any sharing.
Quality	There is no guarantee that the existing scope and service standards can be maintained in the context of reduced funding. Cannot improve the quality of the customer experience further without investment in technology to support the service for which there is no funding available. Any investment would have to be funded solely by the council which would impact on the MTFS and require service cuts elsewhere to fund.	There is an aspiration to ensure that the existing scope and service standards are, at least, maintained despite reduced funding. Vision 2020 offers a significant opportunity to access TCA money to fund investment in the service and specifically £1.5m of budget allocated to business systems. Any investment above the TCA funding is shared amongst 4 partner councils.	There is some scope for maintaining existing scope and service standards are maintained despite reduced funding but this have not been explored. Any investment funding would not be funded from TCA and would be shared amongst fewer partner councils and would therefore have a greater impact on the MTFS and require more service cuts elsewhere to fund.

17

	No opportunity to share best practice.	Co-working will enable best practice to be identified and shared. An analysis of service functions in scope at Appendix 1 indicates a high degree of similarity between the councils in terms of the scope of their services which should give members some reassurance that the services can be effectively shared.	Co-working will enable best practice to be identified and shared but from a smaller pool of knowledge. No analysis of service functions in scope has been undertaken although unlikely to be different.
Resilience	Service is not resilient with a number of potential areas where there is little resilience. No opportunity to increase resilience.	Sharing technology and staff resources across partner councils will maximise the potential to increase resilience particularly during the transition to Universal Credit resulting in potential loss of staff.	Sharing technology and staff resources with other partners could help provide some increased resilience, particularly during the transition to Universal credit resulting in potential loss of staff.
Creativity		Co-working will encourage and foster creativity across the partners There are some well-developed relationships across the partnership which has resulted in some significant achievements e.g. shared bailiff contract for the service and the stabilization of ICT infrastructure, which can be built on.	Co-working will encourage and foster creativity across the partners. Some joint working exists but less developed.
	Little scope for staff progression/ development and improved remuneration.	Maximises scope for staff progression/ development and improving remuneration as demonstrated by existing models e.g. GOSS and ICT model where staff work across multiple sites.	Some scope for staff progression/ development and improved remuneration if staff work across sites.
Influence	Separate identify, local decision making, community leadership	Aspiration to ensure that separate identify, local decision making, community leadership	Not explored.

	and local knowledge not impacted. Individually, less ability to influence others e.g. government on policy, ICT providers for development or other public bodies on regional objectives.	and local knowledge is not impacted. More likely to be able to influence others e.g. government on policy, ICT providers for development or other public bodies on regional objectives.	
Ability to deliver change	No capacity to deliver significant programme of investment and service improvement. Any service development competes for ICT support and resource for which there is no additional funding.	The 2020 Vision programme has a £10m programme of activity including funding to support key work streams including the strategy for aligning business applications which will ensure that step change is delivered within a planned timescale by 2020. Key ICT support is available through the programme to support individual service development for service areas where all four partner councils are sharing.	No capacity to deliver significant programme of investment and service improvement. For development activity requiring ICT support outside the 2020 Vision programme, access to ICT may be more challenging.
Business complexity	Not complex	Already sharing key back office services and are aligning policies e.g. contracts rules, procurement, cash collection and banking. More sharing of staff using common ICT infrastructure (telephony, personal ICT kit), shared applications and approach e.g. payment card industry (pci) requirements, Public Service Network etc.; further sharing with existing partners will simplify the operating model.	Established arrangements are already in place with GOSS for finance and HR services. Since Tewkesbury do not use GOSS, back office support arrangements would become very complex and duplicate process and add to cost. Working with partners outside of 2020 Vision would require an alternative support solution which may replicate or duplicate existing arrangements and may prove operationally more difficult and complex.
Overall risk to delivery of outcomes.	RED	GREEN	AMBER

4. Financial Analysis

Savings Achievable and their Impact on the MTFS

The 2020 programme savings targets have been allocated according to the 2015/16 baseline funding position for each partner council that is part of a shared service. The costs of the new structure for Trusted Advisors has been compared to each council's baseline funding position, which is a measure of the relative size of the inputs into the service, and savings calculated accordingly. The recharge back to the council will reflect the pro-rated reduction in operating costs of the shared service.

The anticipated overall savings for this council arising directly and specifically from 2020 Vision are £581K. Further savings of £227K could potentially be achieved through the establishment of a company model.

It should be noted that the shared service savings are based on reductions in current 2015/16 staff budgets ranging from 5-20%. The percentage reductions used are indicative of likely efficiency savings using available intelligence. For the Revenues and Benefits Services, this equates to a savings target of **£105,000** in phase 1 of the programme to be delivered in 2016/17 – 2017/18.

The savings figures are not speculative figures arrived at by the partner councils, but are based on our experience of what has actually been achieved by sharing services and have been validated by the Chartered Institute of Public Finance and Accountancy (CIPFA). The collaborative work on Revenues and Benefits with our 2020 vision partners to date has included a comparison of structures which has informed the view about the potential level of savings which can be achieved across the partnership.

Whilst initial savings are derived primarily from a reduction in staffing at a senior management level e.g. shared across partner councils (per the GOSS model), longer term further savings, as well as improving the customer experience, could be achieved through a number of ways:

- Service redesign, collaboration and sharing, e.g. scanning and referencing.

- Accessing Transformation Challenge Award funding (TCA) to invest in replacement of the business application supporting the service.

- Enhancing knowledge and skills of a wider pool of staff.

- Joint procurement e.g. contract for civica.

- Whilst the council has a strategy to tackle the current level of pension fund deficit built into the Medium Term Financial Strategy, the view of the Section 151 Officer is that the Local Government Pension Scheme (LGPS) is unsustainable into the future. An alternative employment

model under consideration i.e. teckal company has the potential to offer stakeholder pensions for new joiners which reduce the cost of employment and offer a potential more affordable and sustainable option.

- Longer term new partners could join, generating further savings by sharing the service overhead e.g. management and support service infrastructure per the Ubico model.

Whilst, at this stage, the specific service management structure and indicative staffing arrangements have yet to be agreed by the Member Governance Board, the basic principle is to pool capacity and skills using existing locations for staff which should provide members with the confidence that the services will deliver our outcomes and in a way that meets our customers' expectations.

As outlined above, the gradual migration of workload from the council to DWP as a result of the rollout of Universal Credit may result in staff leaving earlier than 2021. Any residual redundancy costs for staff remaining will be met by the DWP.

5. Summary of analysis and conclusion

The council has, over a number of years, investigated many options for alternative delivery arrangements for the service, all of which have been rejected. Doing nothing is not a sustainable option since, in view of the government reductions in funding, the service is unlikely to be sustainable into the future and is likely to decline in quality and not develop. Having considered the residual options, the best and recommended option for the council is to progress with the 2020 Vision partnership for sharing Revenues and Benefits Services for the following reasons:

Sharing under a 2020 Vision partnership is the option which has the greatest potential to deliver the outcomes framework.

The partnership has access to overall programme investment in services of £10m and specific funding of £1.5m for ICT to finance service investment. Given the council's limited budgets it is unlikely that working alone or with fewer other councils, the council would be able to fund the likely level of investment required to acquire, implement and maintain new technologies.

Within four years the Housing Benefit grant will have reduced by approximately £300,000 as we lose HB for working age customers. If pension age transfers two years later a further £200,000 in grants will be lost. The partnership will provide the best solution for managing this transition.

Being part of the 2020 partnership brings benefits to staff since it provides opportunities for staff for career progression/development and potential for improvement in remuneration where working across sites. Improved technology and processes will enable staff to deliver better services and better equip them with the tools to do a good job.

This page is intentionally left blank

Revenues Services

The following table details the various activities currently in scope for Revenues Services. The right column shows which service is offered by each partner Cheltenham (C), Cotswold (CO) and West Oxfordshire (WO). Please note the Forest of Dean (F) service is currently outsourced.

Council Tax	
Valuation and Property Maintenance	
Identifying any new or changes to existing properties and notify the Valuation Office Agency (VOA)	C / CO / WO
Liaison and exchange of information with Planning, building control and Street Naming	C / CO / WO
Liaison with and exchange of information with VOA	C / CO / WO
Issue of Completion Notices	C / CO / WO
Amending records to reflect changes on weekly update schedules from VOA	C / CO / WO
Reconcile property record to Valuation list	C / CO / WO
Liability and Billing	
Determine appropriate liability, create new or amend existing accounts and issue appropriate bills. This includes: • Receive or collect information to identify the liable person or organisation, changes in circumstances, changes in payment method and eligibility for discounts & exemptions. Create or amend accounts and issue bills and letters • Recalculate instalments and issue bills due to daily changes made to council tax support entitlement • Set up/amend/cancel direct debits and produce bills	C / CO / WO
Undertake trace enquiries to find absconded debtors	C / CO / WO
Recovery and Enforcement	
Preparation, processing and issue of statutory recovery notices in line with recovery timetable and court dates	C / CO / WO
Attend court and present Council's case to obtain liability orders	C / CO / WO
Deal with all customer queries ,and make payment arrangements, set up attachments to benefit or earnings	C / CO / WO
Check and process cases to Enforcement Agents monitor cases with enforcement agents	C / CO / WO
Monitor payment arrangements and attachments /chase payment by phone/letter	C / CO / WO
Check cases and Issue various 7 day letters and process cases to alternative recovery methods	C / CO / WO
Prepare and present councils case as committal hearings	C / CO / WO
Receive notification of insolvency action, amend accounts according and submit proof of debt forms	C / CO / WO
Make trace enquires	C / CO / WO
Prepare and recommend irrecoverable debts for write off cases	C / CO / WO

Ad-hoc recovery visits by visiting officers	C / CO / WO

Review of discounts, exemptions & empty properties	
Produce annual timetable and review discounts by letter, visit or data matching exercise	C / CO / WO
Rolling review of empty properties by visiting officers	C / CO / WO
SPD review with annual bill and NFI data match	C / CO / WO

Customer Service	
All customer contact dealt with by revenues staff - general queries, change of address, discount & exemptions, payment queries, paperless direct debit, recovery queries, response to bills, letter, notices, debit/credit card payments	C / CO / WO

Business Rates

Valuation and Property Maintenance	
Maintain the council tax property database to correspond with the Valuation List and the council's LLPG. This includes • Identifying any new or changes to existing properties and notify the Valuation Office Agency (VOA) • Liaison and exchange of information with Planning, building control and Street Naming • Liaison with and exchange of information with VOA • Issue of Completion Notices • Amending records to reflect changes on weekly update schedules from VOA • Reconcile property records to Valuation list	C / CO / WO

Liability and Billing	
Determine appropriate liability, create new or amend existing accounts and issue appropriate bills. This includes: • Receive or collect information to identify the liable business or organisation, changes in circumstances, changes in payment method and eligibility for reliefs & exemptions. Create or amend accounts and issue bills and letters • Set up/amend/cancel direct debits and produce bills • Undertake trace enquiries to find absconded debtors	C / CO / WO

Recovery and Enforcement	
Preparation, processing and issue of statutory recovery notices in line with recovery timetable and court dates	C / CO / WO
Attend court and present Council's case to obtain liability orders	C / CO / WO
Deal with all customer queries ,and make payment arrangements	C / CO / WO
Check and process cases to Enforcement Agents monitor cases with enforcement agents	C / CO / WO
Monitor payment arrangements and chase payment by phone/letter	C / CO / WO
Check cases and Issue various 7 day letters and process cases to alternative recovery methods	C / CO / WO
Prepare and present councils case as committal hearing	C / CO / WO
Receive notification of insolvency action, amend accounts according and submit proof of debt forms	C / CO / WO
Make trace enquires	C / CO / WO

Prepare and recommend irrecoverable debts for write off cases	C / CO / WO
Review of discounts, exemptions & empty properties	
Produce annual timetable and review discounts by letter, visit or data matching exercise	C / CO / WO
Rolling review of empty properties by visiting officers	C / CO / WO
Customer Service	
All customer contact dealt with by revenues staff - general queries, change of address, reliefs & exemptions, payment queries, paperless direct debit, recovery queries, debit/credit card payments	C / CO / WO

Revenues (council tax & business rates)

Income Control and Reconciliation	
Payment Processing • Check and reconcile daily cash postings for council tax, business rates and benefit overpayments. • Load and post files if automated process fails • Prepare manual payment posting requests • Reconcile open Revenues and cash book to income codes on general ledger • Monitor and manage suspense account • Missing payment enquiries	C / CO / WO
Direct debit Processing • Create AUDDIS and payment extract files and process to BACS • Process unpaid and amended DD files and issue revised bills	C / CO / WO
Revenues - refund processing • Check all refunds and process file to Bacs or cheque file to accounts payable • Reconcile open revenues financial controls to general ledger	C / CO / WO
Quality control monitoring • Sample accuracy checks on council tax & business rates processing	C / CO / WO
Compliance • Undertake any compliance activities to ensure appropriate exemptions and discounts are applied.	C / CO / WO
Email accounts • Manage and monitor revenues generic inboxes • Run decodes to import emails in to and send batched emails from open revenues workflow	C / CO / WO
Visiting	
Inspection of new, altered and empty properties	C / CO / WO
Verification/ review of discounts, exemptions and reliefs	C / CO / WO
Recovery/debt collection	C / CO / WO
Financial reconciliation, reporting and forecasting	
Monthly reconciliation and collection performance	C / CO / WO
Quarterly budget monitoring report	C / CO / WO
Tax base and new homes bonus forecasting	C / CO / WO
Business rates retention monitoring and forecasting	C / CO / WO
Calculating tax base for council tax setting including Parishes	C / CO / WO

Revenues – Statutory Returns	
QRC	C / CO / WO
CTB1	C / CO / WO
NNDR1	C / CO / WO
NNDR3	C / CO / WO
Revenues - Annual billing/yearend	
Support council tax setting process	C / CO / WO
Annual billing testing, processing, reconciliation and issue and new year bills	C / CO / WO
End of year processing and reconciliation	C / CO / WO
Preparation of financial reconciliations for general ledger and collection funds	C / CO / WO
Revenues – System Administration open Revenues & related software	
Testing of releases, upgrades, new functionality	C / CO / WO
Parameter set up	C / CO / WO
User maintenance	C / CO / WO
Workflow, work type, letter & document set up	C / CO / WO
Revenues – General	
Procurement and monitoring of Revenues contracts	C / CO / WO
Provision of periodic information in respect of empty properties to the empty homes team for the purpose of bringing empty homes back in to use	C
## Other	
General System administration for all systems and any linked systems including • Liaison with ICT on all open Revenues issues • Co-ordinate installation of releases and upgrades • Liaison with and meetings with systems account manager • Manage budget	C / CO / WO
Revenues & Benefits client services to Forest of Dean District Council	

Benefits Services

The following table details the various activities currently in scope for Benefits Services. The right column shows which service is offered by each partner Cheltenham (C), Cotswold (CO) and West Oxfordshire (WO). Please note the Forest of Dean (F) service is currently outsourced.

Benefits Support	
Scanning/ referencing of all Revenues and Benefits post	C / CO / WO
Back scanning of internal post and documents	C / CO / WO
Download and process "tell us once" information from the secure DWP website weekly	C / CO / WO
Download and process "Atlas and ETD" information from the secure DWP website daily	C / CO / WO
Land registration enquiries via a secure internet link	C / CO / WO
Importing emails, housing lettings lists, building control files and creating work items	C / CO / WO
Logging back benefit and council tax support reviews	C / CO / WO
Validate welfare benefits entitlement via secure DWP website (CIS) using token.	C / CO / WO
Other clerical support for the revenue and benefits team	C / CO / WO
Housing Benefit /Council Tax Support and Advice	
Face to face advice service for housing benefits, council tax support, benefit overpayments and general advice on all other welfare.	C / CO / WO
Checking application forms, verifying supporting documents and photocopying/scanning information.	C / CO / WO
Providing Universal credit advice and support including debt counselling on behalf of DWP.	C / CO / WO
Staffing a benefit/ council tax support helpline between.	C / CO / WO
Providing direct dial contact names/ telephone numbers for officers dealing with a customers claim.	C / CO / WO
Providing a home visit service for the disabled or elderly who are unable to visit the council offices on housing benefit and council tax support claims.	C / CO / WO
Benefit Overpayment Recovery	
Raise debtor accounts, printing and posting of invoices on system sundry debtor module for benefit overpayments.	C / CO / WO
Raise debtor accounts for fraud overpayments administration penalties as a result of investigations by DWP and liaise with SPOC officer regarding debts.	C / CO / WO
Issue reminders	C / CO / WO
Apply income and court costs to debtors accounts	C / CO / WO
Reviewing underlying entitlement to reduce debts	C / CO / WO
Negotiate and administer instalment arrangements	C / CO / WO
Record all correspondence and telephone calls onto diary.	C / CO / WO

Liaise with DWP, housing, landlords, other councils and Bailiffs over recovery action	C / CO / WO
Pass non paid accounts to legal	C / CO / WO
Mange queries from customers	C / CO / WO
Maintaining the system sundry debt module, move cases though the recovery stages and process work items via workflow module.	C / CO / WO
Take payments via system on web pay	C / CO / WO
Contact employers for direct earning s attachments	C / CO / WO
Contact DWP for recovery from welfare benefits	C / CO / DWP
Transfer debts back to benefits for ongoing recovery	C / CO / WO
Process cancellations and write offs	C / CO / WO
Production of management reports, reconciliation, calculation of bad debts and end of year processes	C / CO / WO
Produce, check and send off government performance and statistical returns.	C / CO / WO
Liaise with Go shared services regarding missing payments, refunds , journal transfers, cash allocation	C / CO / WO
Liaise with housing providers and access housing records via secure link to check credits, refunds, rent breakdown etc.	C / CO / WO

Benefit /Council tax Support Reconsideration and Appeals

Carry out an independent review of a benefit/ support decision that has been challenged by a customer.	C / CO / WO
Request additional supporting information from customer, landlord, employer, DWP, other council or voluntary agency	C / CO / WO
Confirm revised decision by personal letter giving appeal rights if they still disagree.	C / CO / WO
Preparing cases for appeal tribunal from customers who still disagree with revised decision	C / CO / WO
Attending tribunal hearings on behalf of council	C / CO / WO
Create and update reconsiderations / appeals on the system appeals module and processing off work items from the workflow module.	C / CO / WO
Produce, check and monitor performance and statistical returns.	C / CO / WO

Quality Control Monitoring

Check at least a 10% sample of officers work within 24 hours and before decision is posted to customer	C / CO / WO
Log all sample checks by date and individual officer and record count of total work done, total checked and whether the claim was correct, a critical or non-critical error based on policy and procedures.	C / CO / WO
Report all critical errors to senior officer for correction and highlight any training needs	C / CO / WO
Maintain the Quality monitoring spreadsheet throughout the year and produce quarterly returns	C / CO / WO
Check a 10% sample of write offs and manual adjustments monthly for correct authorisation and that the adjustment is correct	C / CO / WO

Processing of Housing benefit /Council Tax Support

To check, validate and calculate all new claims for housing benefit/council tax support as per national and local regulations, working practices, procedures and standards set by the council	C / CO / WO
To check, validate and calculate changes in circumstances/cancellations for housing benefit/council tax support as per national and local regulations, working practices, procedures and standards set by the council	C / CO / WO
To correctly calculate all over and under payments of benefits using the correct classification and reason codes and issue letters as per regulations	C / CO/ WO
Validate welfare benefit entitlement via secure DWP website (CIS) using token.	C / CO / WO
To verify income, capital, earnings, identity, rent under the councils verification standards.	C / CO / WO
Request additional information in writing from customer , employer, landlord etc.	C / CO / WO
To liaise with the council tax department, government agencies, ALMO's, housing associations etc. to process the claims	C / CO / WO
To make fraud referrals or consider underlying entitlement as part of the claims process.	C / CO / WO
To process all claims using the system benefits module and process off work items from the workflow module.	C / CO / WO
To correctly categorise all the tenancy types contained in the HB regulations and highlight supported, Homeless, extended or rapid reclaim claims.	C / CO / WO
Do referrals to the overpayments teams for debts that are unable to be recovered from ongoing	C / CO / WO
To restrict cases subject to the benefit cap regulations and keep records	C / CO / WO
To restrict cases subject to the bedroom tax regulations and keep records	C / CO / WO
To calculate self-employed and student income	C / CO / WO
To action cases subject to the FERIS/RTI data match and keep records	C / CO / WO
To action cases subject to Universal credit and keep records	C / CO / WO
Do referrals to the Valuation office for rent reviews.	C / CO / WO
To cross check council tax records to make sure in tandem (bill/ben process)	C / CO / WO

Discretionary Housing Fund

To award short term financial help from the fund based on applications and a means test of income/outgoings	C / CO / WO
To use the system DHP module to record awards and defined classifications.	C / CO / WO
To arrange welfare visits to establish need or maximise customers income	C / CO / WO
To review any appeals against refusal or amount or period of award.	C / CO / WO
Produce, check and send off government performance and statistical returns.	C / CO / WO
To report to cabinet/full council if awards exceed fund.	C / CO / WO

Payments/reconciliation/statistics/ performance /Gov't returns

Daily council tax support payment run	C / CO / WO
Weekly council tenant payment run into/out of Cheltenham Borough homes system	C / CO / WO
Weekly rent allowance payment runs via BACS on Bottomline software	C / CO / WO

Urgent daily payment runs	C / CO / WO
Monthly cash reconciliation to ledger codes for payments/refunds. Correct discrepancies etc.	C / CO / WO
Monthly reconciliation of benefit subsidy and correct discrepancies	C / CO / WO
Productions of reports, statistical returns, extract files on a daily/weekly/monthly/quarterly/yearly basis. Check output and correct discrepancies.	C / CO / WO
Import of data matching, RTI and benefit cap data and Ben Cap data into system and produce work items.	C / CO / WO
Production of government returns such as SHBE, HBRF, HMRC, BRMA, Subsidy, DHP, UC	C / CO / WO
System testing of system software such as new products changes or patches corrections, mail merge documents or new reports.	C / CO / WO
Produce, manage and extract monthly reviews for posting and progression through defined stages	C / CO / WO
Council tax support forecasting	C / CO / WO
Annual uprating of welfare benefits /premiums and parameters. Year- end calculations, testing, letter production/packing.	C / CO / WO
Maintain Benefits flexi recording system	C / CO / WO

Management

Complaints & MP letters	C / CO / WO
System security and parameter maintenance.	C / CO / WO
Monitoring UC partnership agreement	C / CO / WO
Monitoring SPOC / Fraud agreement with DWP	C / CO / WO
Annual review of CT support scheme	C / CO / WO
Sponsor role of DWP secure access systems	C / CO / WO
Public speaking and attending forums, project groups, talks on behalf of council on data security, welfare reform and housing issues.	C / CO / WO
Year- end working papers and reconciliation of all budget cost centres, liaising with Go services accountants	C / CO / WO
Mid- year estimates, performance statistics, government returns	C / CO / WO
Project planning of major regulation changes, public consultation, customer engagement and publicity.	C / CO / WO
Maintain PVP register for benefits	C / CO / WP
Publicity and marketing of the service - forms, leaflets, letters.	C / CO / WO

Other

Delivery of internal training on HB/CTS regulations, procedures, software/system changes	C / CO / WO
Client service for FOD	
Undertake any compliance activities to ensure appropriate benefit, exemptions and discounts are awarded.	C / CO / WO

GENERIC REQUIREMENTS

The following table details the generic areas that will be undertaken by all services as standard.

Management of people
Management of financial resources
Management of non-financial resources
Production of reports as and when required
Attendance at meetings / dealing with member information requirements as required
Maintaining appropriate legislative/regulatory/professional knowledge/networks
Writing appropriate policies, procedures and guidance notes
Corporate responsibilities e.g. responding to FOI requests, safeguarding, business continuity, emergency response, equality, prevent, audit and health and safety

This page is intentionally left blank

Performance and Service Standards

Revenues and Benefits

Where services are to be shared the partner councils are developing a set of standards and indicators against which future performance will be measured. These will develop as the services change and develop. Although not yet finalised potential ideas being considered and we also asked members for their thoughts as part of the working groups. It is accepted that the ability to collect performance information may not exist from day 1 of the partnership.

Current Cheltenham Revenues and Benefits Performance Indicators

Revenues and Benefits Key Performance Indicators
Percentage of Council Tax collected in year as a percentage of Council Tax billed in year. Percentage of Business Rates collected in year as a percentage of Business Rates billed in year. Average number of days to process new claims. Average number of days to process changes in circumstances.

Current Cheltenham Revenues and Benefits Performance Standards

The standard for all service delivery is in accordance with the 'Think Customer Code' as detailed in below;

Think Customer!
As a council the only reason we exist is to serve our community – **customer service is at the centre of all we do**. The quality of service delivery has a direct bearing on customer satisfaction and on the reputation of the council as a whole.

Action
We will:
- make our services easily available
- always listen carefully to what customers say

- give a contact name and details
- let people know what will happen next and if there will be a delay in responding
- answer all enquiries promptly and, where possible, directly (*first time fix*), and
- point people in the right direction if we can't help.

Behaviour

We will:

- treat all customers with respect and ensure sensitivity and confidentiality in the delivery of our services
- be polite, honest and helpful
- be knowledgeable, professional and courteous
- go the extra mile to provide the best possible service
- work across services to provide coordinated responses where necessary
- always react positively when things go wrong with the delivery of a service
- we will learn from our mistakes, and
- ensure that our customers help shape the services we deliver.

Communications

We will:

- communicate in a way that is easy to understand
- respond to all correspondence promptly
- welcome all feedback and ask customers regularly for their opinions about our services, and
- inform the customer of what we will do to rectify any problem and prevent recurrence.

Other revenues and benefits services standards are in place these are as detail against the activities below.

Revenues

Activity	Service standard (if relevant)
Council Tax - Valuation and Property Maintenance	
Maintain the council tax property database to correspond with the Valuation List. This includes	
• Identifying any new or changes to existing properties and notify the Valuation Office Agency (VOA)	Required to notify VOA within 2 weeks of identification
• Liaison and exchange of information with	All addresses must be agreed with

• Planning, building control and Street Naming	Street Naming before
• Liaison with and exchange of information with VOA	
• Issue of Completion Notices	
• Amending records to reflect changes on weekly update schedules from VOA	Required to update CBC records within 2 weeks of receiving schedule
• Reconcile CBC property record to Valuation list	

Council Tax - Liability and Billing	
Determine appropriate liability, create new or amend existing accounts and issue appropriate bills. This includes	
• Receive or collect information to identify the liable person or organisation, changes in circumstances, changes in payment method and eligibility for discounts & exemptions. Create or amend accounts and issue bills and letters	In line with statutory instalment scheme calculation and 14 day notice period
• Recalculate instalments and issue bills due to daily changes made to council tax support entitlement	In line with direct debit rules
• Set up/amend/cancel direct debits and produce bills	
• Undertake trace enquiries to find absconded debtors	
Council Tax - Recovery and Enforcement	
• Preparation, processing and issue of statutory recovery notices in line with recovery timetable and court dates	Monthly/statutory requirements for issue of notices
• Attend court and present Council's case to obtain liability orders	Monthly – court dates agreed with court
• Deal with all customer queries ,and make payment arrangements, set up attachments to benefit or earnings	
• Check and process cases to Enforcement Agents monitor cases with enforcement agents	Weekly
• Monitor payment arrangements and attachments /chase payment by phone/letter	Monthly

• Check cases and Issue various 7 day letters and process cases to alternative recovery methods • Prepare and present councils case as committal hearings • Receive notification of insolvency action, amend accounts according and submit proof of debt forms • Make trace enquires • Prepare and recommend irrecoverable debts for write off cases • Ad-hoc recovery visits by visiting officers	Daily/weekly/monthly

Council Tax - Customer Service

All customer contact dealt with by revenues staff - general queries, change of address, discount & exemptions, payment queries, paperless direct debit, recovery queries, response to bills, letter, notices, debit/credit card payments • Telephone calls mainly on council helpline - 01242 264161. Call distributed to other lines via hunt group • Emails Counciltax@cheltenham.gov.uk revenues@cheltenham.gcsx.gov.uk • Council tax duty officer based in main reception area daily	Opening hours 9-5 Monday, Tuesday, Thursday, Friday and 9.30-5 on Wednesdays

Business Rates - Valuation and Property Maintenance

Maintain the council tax property database to correspond with the Valuation List and the council's LLPG. This includes	
• Identifying any new or changes to existing properties and notify the Valuation Office Agency (VOA)	weekly
• Liaison and exchange of information with Planning, building control and Street Naming	
• Liaison with and exchange of information with VOA	
• Issue of Completion Notices	
• Amending records to reflect changes on weekly update schedules from VOA	Weekly
• Reconcile CBC property records to	weekly

Valuation list	
Business Rates - Liability and Billing	
Determine appropriate liability, create new or amend existing accounts and issue appropriate bills. This includes • Receive or collect information to identify the liable business or organisation, changes in circumstances, changes in payment method and eligibility for reliefs & exemptions. Create or amend accounts and issue bills and letters • Set up/amend/cancel direct debits and produce bills • Undertake trace enquiries to find absconded debtors	Daily
Business Rates - Recovery and Enforcement	
• Preparation, processing and issue of statutory recovery notices in line with recovery timetable and court dates	Monthly/statutory requirements for issue of notices
• Attend court and present Council's case to obtain liability orders	Monthly – court dates agreed with court
• Deal with all customer queries ,and make payment arrangements	
• Check and process cases to Enforcement Agents monitor cases with enforcement agents	Weekly
• Monitor payment arrangements and chase payment by phone/letter	Monthly
• Check cases and Issue various 7 day letters and process cases to alternative recovery methods	Daily/weekly/monthly
• Prepare and present councils case as committal hearing	
• Receive notification of insolvency action, amend accounts according and submit proof of debt forms	
• Make trace enquires	
• Prepare and recommend irrecoverable debts for write off cases	
Business Rates - Customer Service	
All customer contact dealt with by revenues staff -	Opening hours 9-5 Monday, Tuesday,

general queries, change of address, reliefs & exemptions, payment queries, paperless direct debit, recovery queries, debit/credit card payments • Telephone calls mainly on business rates helpline - 01242 264255 • Emails businessrates@cheltenham.gov.uk revenues@cheltenham.gcsx.gov.uk • Business rates staff see customers seen main reception area	Thursday, Friday and 9.30-5 on Wednesdays

Income Control and Reconciliation	
Payment Processing • Check and reconcile daily cash postings for council tax, business rates and benefit overpayments. • Load and post files if automated process fails • Prepare manual payment posting requests	Must be done daily
• Reconcile open Revenues and cash book to income codes on general ledger • Monitor and manage suspense account • Missing payment enquiries	At least fortnightly
Direct debit Processing • Create AUDDIS and payment extract files and process to BACS • Process unpaid and amended DD files and issue revised bills	In line with DD payment dates and DD rules
Revenues - refund processing • Check all refunds and process file to Bacs or cheque file to accounts payable • Reconcile open revenues financial controls to general ledger	Weekly
Quality control monitoring • Sample accuracy checks on council tax & business rates processing	Daily/weekly
Email accounts • Manage and monitor revenues generic inboxes • Run decodes to import emails in to and send batched emails from open revenues workflow	
Financial reconciliation, reporting and forecasting	

- Monthly reconciliation and collection performance - Quarterly budget monitoring report - Tax base and new homes bonus forecasting - Business rates retention monitoring and forecasting - Calculating tax base for council tax setting	As required by finance/Sec 151 officer As required by finance/Sec 151 officer
Revenues – Statutory Returns	
QRC CTB1 NNDR1 NNDR3	Quarterly Annually – October Annually - January Annually – April-May linked to yearend reconciliation
Revenues - Annual billing/yearend	
- Support council tax setting process - Annual billing testing, processing, reconciliation and issue and new year bills - End of year processing and reconciliation - Preparation of financial reconciliations for general ledger and collection funds	Council tax setting date, timetable agreed with printers. Statutory 14 day notice period on bills 31/03 -01/04 In line with yearend timetable for closing accounts

Benefits

Activity	Service standard (if relevant)
Revenue & Benefits support	
- Scanning/ referencing of all Revenues and Benefits post - Back scanning of internal post and documents - Download and process "tell us once" information from the secure DWP website weekly - Download and process "Atlas and ETD" information from the secure DWP website daily - Land registration enquiries via a secure internet link - Importing emails, housing lettings lists, building control files and creating work	95% within 24 hours of receipt 95% within 48 hours of receipt 95% within 24 hours of receipt 95% within 24 hours of receipt 80% within 24 hours of receipt 95% within 24 hours of receipt

items	
• Logging back benefit and council tax support reviews	
• Validate welfare benefits entitlement via secure DWP website (CIS) using token.	80% within 24 hours of receipt
• Other clerical support for the revenue and benefits team	
Housing Benefit/Council tax support advice	
• Face to face advice service for housing benefit, council tax support, benefit overpayments and general advice on all other welfare benefits at the municipal offices between 10:00 to 16:00 Monday to Friday	Annual Universal credit Delivery Partnership agreement
• Checking application forms, verifying supporting documents and photocopying/scanning information at municipal offices between 10:00 to 16:00 Monday to Friday	
• Providing Universal credit advice and support including debt counselling on behalf of DWP at municipal offices between 10:00 to 16:00 Monday to Friday.	
• Staffing a benefit/ council tax support helpline between 9:00 and 17:00 Monday to Friday (except Wednesday which is 9:30 to 17:00)	
• Providing direct dial contact names/ telephone numbers for officers dealing with a customers claim.	
• Providing a home visit service for the disabled or elderly who are unable to visit the council offices on housing benefit and council tax support claims.	
Benefit overpayment recovery	
• Raise debtor accounts, printing and posting of invoices on CIVICA sundry debtor module for benefit overpayments.	Service standards for this area are defined in Housing benefit regulations, local policies and procedures on overpayment s
• Raise debtor accounts for fraud overpayments administration penalties as a result of investigations by DWP and liaise with SPOC officer regarding debts.	

• Issue reminders • Apply income and court costs to debtors accounts • Reviewing underlying entitlement to reduce debts • Negotiate and administer instalment arrangements • Record all correspondence and tel calls onto diary. • Liaise with DWP, housing, landlords, other councils and Bailiffs over recovery action • Pass non paid accounts to legal • Mange queries from customers • Maintaining the CIVICA sundry debt module, move cases though the recovery stages and process work items via workflow module. • Take payments via CIVICA webpay • Contact employers for direct earning s attachments • Contact DWP for recovery from welfare benefits • Transfer debts back to benefits for ongoing recovery • Process cancellations and write offs • Production of management reports, reconciliation, calculation of bad debts and end of year processes • Produce, check and send off government performance and statistical returns. • Liaise with Go shared services regarding missing payments, refunds , journal transfers, cash allocation • Liaise with Cheltenham Borough homes and access housing records via secure link to check credits, refunds, rent breakdown etc	
Benefit /Council tax Support reconsideration and Appeals	
• Carry out an independent review of a benefit/ support decision that has been challenged by a customer. • Request additional supporting information from customer, landlord, employer, DWP, other council or voluntary agency	95% completed within 7 days of receiving all supporting information.

• Confirm revised decision by personal letter giving appeal rights if they still disagree. • Preparing cases for appeal tribunal from customers who still disagree with revised decision • Attending tribunal hearings on behalf of council • Create and update reconsiderations / appeals on the CIVICA appeals module and processing off work items from the workflow module. • Produce, check and monitor performance and statistical returns.	80% of appeal submissions completed within one month of request. Service standards in this area are defined in Housing benefit regulations, national council tax support regulations for pensioners, local working age council tax support scheme for working age pensioners
Quality control monitoring	
• Check at least a 10% sample of officers work within 24 hours and before decision is posted to customer • Log all sample checks by date and individual officer and record count of total work done, total checked and whether the claim was correct, a critical or non-critical error based on policy and procedures. • Report all critical errors to senior officer for correction and highlight any training needs • Maintain the Quality monitoring spreadsheet throughout the year and produce quarterly returns • Check a 10% sample of write offs and manual adjustments monthly for correct authorisation and that the adjustment is correct	National standard for monitoring of work is 4% before posting, but we have a local target of 10% within our policy/procedures in this area.
Processing of Housing benefit /Council tax support	
• To check, validate and calculate all new claims for housing benefit/council tax support as per national and local regulations, working practices, procedures and standards set by the council • To check, validate and calculate changes in circumstances/cancellations for housing benefit/council tax support as per national and local regulations, working practices, procedures and standards set by the council	Annual average target of 19 days from date of claim to date processed. Annual average target of 4 days from date change reported to date processed.

- To correctly calculate all over and under payments of benefits using the correct classification and reason codes and issue letters as per regulations - Validate welfare benefit entitlement via secure DWP website (CIS) using token. - To verify income, capital, earnings, identity, rent under the councils verification standards. - Request additional information in writing from customer , employer, landlord etc - To liaise with the council tax department, government agencies, Cheltenham borough homes, housing associations etc to process the claims - To make fraud referrals or consider underlying entitlement as part of the claims process. - To process all claims using the CIVICA benefits module and process off work items from the workflow module. - To correctly categorise all the tenancy types contained in the HB regulations and highlight supported, Homeless, extended or rapid reclaim claims. - Do referrals to the overpayments teams for debts that are unable to be recovered from ongoing - To restrict cases subject to the benefit cap regulations and keep records - To restrict cases subject to the bedroom tax regulations and keep records - To calculate self-employed and student income - To action cases subject to the FERIS/RTI data match and keep records - To action cases subject to Universal credit and keep records - Do referrals to the Valuation office for rent reviews. - To cross check council tax records to make sure in tandem (bill/ben process)	Service standards in this area are defined in the following: - Housing benefit regulations - National CTS scheme for pension age - Local CTS scheme for working age - Local policies and procedures

Discretionary Housing Fund	
- To award short term financial help from the fund based on applications and a means test of income/outgoings - To use the CIVICA DHP module to record awards and defined classifications. - To arrange welfare visits to establish need or maximise customers income - To review any appeals against refusal or amount or period of award. - Produce, check and send off government performance and statistical returns. - To report to cabinet/full council if awards exceed fund.	Service standards in this area are defined in the local DHP policy and procedures.
Payments/reconciliation/statistics/ performance /Gov't returns	
- Daily council tax support payment run - Weekly council tenant payment run into/out of Cheltenham Borough homes system - Weekly rent allowance payment runs via BACS on Bottomline software - Urgent daily payment runs - Monthly cash reconciliation to ledger codes for payments/refunds. Correct discrepancies etc - Monthly reconciliation of benefit subsidy and correct discrepancies - Productions of reports, statistical returns, extract files on a daily/weekly/monthly/quarterly/yearly basis. Check output and correct discrepancies. - Import of data matching, RTI and benefit cap data and Ben Cap data into CIVICA system and produce work items. - Production of government returns such as SHBE, HBRF, HMRC, BRMA, Subsidy, DHP, UC - System testing of CIVICA software such as new products, changes or patch corrections, mail merge documents or new reports. - Produce, manage and extract monthly reviews for posting and progression through	Service standards in this area are defined by government returns, local policies and procedures

defined stages	
• Council tax support forecasting	
• Annual uprating of welfare benefits /premiums and parameters. Year- end calculations, testing, letter production/packing.	
• Maintain Benefits flexi recording system	

Potential Future Performance Indicators

As mentioned in the introduction there is a potential, in the future, to have some new performance indicators. Below is an example of some of the current indicators collected by Forest of Dean, West Oxfordshire and Cotswold District Councils. It may be that in the future as the services develop further meaningful indicators and service standards are developed for Cheltenham that maintain and enhance the provision of Revenues and Benefits Services. At the member working party discussions it was thought, in the future, it would be useful to have some resolved at first point of contact / right first indicators.

Benefits and Revenues Key Performance Indicators	WODC	FoDDC	CDC
Council tax collected	✓	✓	✓
Non domestic rates collected	✓	✓	
Time taken to process new claims for housing and council tax benefit	✓	✓	✓
Time taken to process change of circumstances for housing and council tax benefit	✓	✓	✓
Number of long term empty properties	✓		✓
Number of cases where positive assistance & intervention was provided which prevented or relieved homelessness for at least 6 months	✓		✓
Number of households living in emergency accommodation			✓

This page is intentionally left blank

Equality impact assessments – for services, policies and projects

What is an equality impact assessment?

An equality impact assessment is an important part of our commitment to delivering better services for our communities. The form will help us find out what impact or consequences our functions, policies, procedures and projects have on our communities, as well as employees and potential employees.

By undertaking an impact assessment, we are able to:

- Take into account the needs, experiences and circumstances of those groups of people who use (or don't / can't use) our services.
- Identify any inequalities people may experience.
- Think about the other ways in which we can deliver our services which will not lead to inequalities.
- Develop better policy-making, procedures and services.

Background

Name of service / policy / project and date	**2020 Vision - Business case for sharing revenues and benefits services**
Lead officer	**Mark Sheldon**
Other people involved in completing this form	**Mark Sheldon, Richard Gibson, Paul Aldridge, Jayne Gilpin**

Step 1 - About the service / policy / project

What is the aim of the service / policy / project and what outcomes is it contributing to	The aim of the business case for sharing revenues and benefits services is to share th eservice with the 2020 partnership; this will be a 4-way share between Cheltenham, Cotswolds, Forest and West Oxfordshire Councils.
	For the first year, the service will be shared on an "as is" basis, with no changes to the way the service is delivered. From year 1 onwards, it is likely that the service will be delivered through a Teckal company, though this will be subject to a separate business case to be considered by the Councils in late Summer / Autumn 2016.
	The Revenues service administers and collects council tax in respect of domestic properties and business rates in respect of all commercial properties. It also provided a client support service to Forest of Dean District Council in respect of its outsourced Revenues & Benefits Service.
	The benefits service has traditionally provided welfare support for residents. The benefits service is undergoing considerable transformation and is at the heart of the government's welfare changes, providing help and support as people transfer to the new universal credit, implementing the bedroom cap and bedroom tax restrictions alo with all the other benefit changes/restrictions being introduced.
	Through a cabinet Member Working Group, members agreed the most important outcomes that the services deliver:
	People live in strong, safe and healthy communities
	People are supported to make a smooth transition onto universal credit
	People who struggle to read or write, or who are non-IT literate are supported in engaging with the service
	Transform our council so it can continue to enable delivery of our outcomes for Cheltenham and its residents.
	The service will deliver appropriate savings over time
	How we want the service to be delivered
	The service retains discretionary opportunities to enhance service provision to reflect local needs and environment:
	• Empty homes
	• Second homes
	• Those in need (vulnerable people)
	• Business Improvement District
	• Those moving onto Universal Credit

The service is able unlock investment into technology

The service encourages customers to self-serve via the web wherever possible, but maintains face to face and telephone support which is highly valued by customers

The service delivers excellent service levels for customers, where customer enquiries are dealt with quickly and appropriately – using the principles of first time fix.

The service is built on staff with local knowledge, delivering a local service to local people.

The service maintains effective relationships with:

- the single advice contract provider
- CBH
- Other independent benefits advice providers
- Elected members

Who are the primary customers of the service / policy / project and how do they / will they benefit

Revenues

	Number of properties	Annual debit after discounts & council tax support	2014/15 collection rate
Council Tax	54,570	£60.0m	98.08%
Business Rates	4,055	£56.5m	98.12%

Benefits

	Working age	Pension age	Total
Council tenants	1,889	1,043	2,932
Housing associations	1,242	423	1,665
Private tenants	1,737	443	2,181
HB tenants			
Council tax support (owners plus joint claims)	4,326	3,136	7,462

How and where is the service / policy / project implemented

- Mainly in the municipal offices
- Personal visit to customers homes or property inspections
- Customers visiting the two area housing offices

What potential barriers might already exist to achieving these outcomes	Declining budgets has seen significant amounts of funding taken out of the service. Accessibility to the municipal offices for the disabled and elderly We do not have a CRM system so are unable to benchmark who access the service (in terms of their equality profile) against the profile for the population of Cheltenham.

Step 2 – What do you know already about your existing / potential customers

What existing information and data do you have about your existing / potential customers e.g. Statistics, customer feedback, performance information	National, county and local performance indicators eg Council tax/NNDR collection rates, benefit payments National, county and local statistics eg Local areas of deprivation, county maiden data, national take up/ unclaimed benefits in our area.
What does it tell you about who uses your service / policy and those that don't?	Customers who have rent and council tax to pay who are on a low income Customers who have to pay council tax or business rates Customers who purchase council services Customers who fraudulently claim benefit
What have you learnt about real barriers to your service from any consultation with customers and any stakeholder groups?	Complicated regulations to claim national means tested benefits Large amounts of form filling and supporting evidence to prove income and personal circumstances
If not, who do you have plans to consult with about the service / policy / project?	None at this stage

Step 3 - Assessing community impact
How does your service / policy / project impact on different groups in the community?

Group	What are you already doing to benefit this group	What are you doing that might disadvantage this group	What could you do differently to benefit this group	No impact on this group
People from black and minority ethnic groups	Translation service which is promoted on all forms, leaflets, customer service enquiry points.			
Gender				No differential impact on this group
Gender Reassignment				No differential impact on this group
Older people / children and young people	Home visits to help make pension credit or benefit claims if housebound Targeted take up work for pensioners and areas of deprivation and a referral system to other support services	Some challenges remain with access to the Municipal Offices with people with mobility problems due to steps at front of the municipal buildings. Though good disabled access from the rear of the building.	Difficult to make any further improvements to access within current building.	
People with disabilities and mental health challenges	Home visits to help make claims for benefit if housebound. Hold names of support workers, appointee's or if customer blind or deaf etc Record disability benefits in payment, so target resources/visits Targeted take up work and liaison with other support services	Some challenges remain with access to the Municipal Offices with people with mobility problems due to steps at front of the municipal buildings. Though good disabled access from the rear of the building.	Difficult to make any further improvements to access within current building.	

	Provision of hearing loop in public areas. Text phone and sign language is available Visiting officers are aware of disability grants discounts available to this group and give advice.			
Religion or belief	Send visiting officers and key staff on awareness training			
Lesbian, Gay and Bi-sexual people				No differential impact on this group
Marriage and Civil Partnership				No differential impact on this group
Pregnancy & Maternity				No differential impact on this group
Other groups or communities	Staff available to help complete forms if poor literacy skills. Overpayment recovery policies/ procedures have means test forms for setting recovery arrangements based on ability to pay. Benefit forms, leaflets etc are written in Plain English			

Step 4 - what are the differences

Are any groups affected in different ways to others as a result of the service / policy / project?	The service goes the extra mile to make sure that all customers can access the service. There are access challenges to the Municipal Offices but these cannot be resolved easily. Instead, access to the service will be significantly improved with the planned office relocation. We do not have a CRM system so are unable to benchmark who access the service (in terms of their equality profile) against the profile for the population of Cheltenham.
Does your service / policy / project either directly or indirectly discriminate?	None identified
If yes, what can be done to improve this?	N/A
Are there any other ways in which the service / project can help support priority communities in Cheltenham?	Continue to explore training opportunities for staff.

Step 5 – taking things forward

What are the key actions to be carried out and how will they be resourced and monitored?	Ensure service accessibility and the discretionary support the service provides to those that need it most continues within the shared service set-up – captured in the proposed outcomes.
Who will play a role in the decision-making process?	Our two elected members on the Joint Committee
What are your / the project's learning and development needs?	None identified
How will you capture these actions in your service / project planning?	Within the annual service plan.

This page is intentionally left blank

Cheltenham Borough Council
Cabinet - 9 February 2016
2020 Vision – Residual Corporate Services Matters

Accountable member	**Councillor Jon Walklett, Cabinet Member Corporate Services**
Accountable officer	**Mark Sheldon, Director of Resources and Projects**
Ward(s) affected	**None**
Key Decision	**No**
Executive summary	In October 2015 Cabinet and Council approved a number of recommendations to establish the 2020 Vision Joint Committee (hereinafter referred to as the Joint Committee) and for this Council to share more services with the 2020 partner councils. Cabinet is, at this meeting, receiving two reports recommending the delegation of Customer Services, Revenues and Benefits (including Council Tax) functions to the Joint Committee, being new sharing of services arising from the October Cabinet and Council report. During the period since the matter was last considered work has commenced on the creation of the Inter Authority Agreement which will replace the existing legal agreements (s101 agreements) and the GO Shared Services Collaboration Agreement.
	Since October formal consultation has now taken place and concluded with regard to the Group Manager structure for the 2020 Partnership Venture. These officers will be responsible for the shared services delivered through the Joint Committee and will be managed by the Partnership Managing Director.
	Work on the legal agreements, finalisation of the management structure and work on the performance monitoring framework has therefore led to a number of residual issues being identified which are now reported to Cabinet for approval and information as appropriate.
Recommendations	**Cabinet is recommended to**
	1. Delegate to the 2020 Vision Joint Committee those functions outlined in the Internal Audit Services document attached at Appendix 2 in accordance with the delegation principles in section 7.
	2. Delegate to the 2020 Vision Joint Committee those functions outlined in the Counter Fraud Services document attached at Appendix 3 in accordance with the delegation principles in section 7.
	3. Agrees the revision to the delegation to the 2020 Vision Joint Committee for ICT services as outlined at paragraph 5.4 and attached at Appendix 4 in accordance with the delegation principles in section 7.
	4. Agrees to appoint West Oxfordshire District Council as the Accountable Body to enter into any contracts required on behalf of the

2020 Vision Joint Committee with regard to the provision of ICT services to Cheltenham Borough Council.

5.   Authorises the Deputy Chief Executive, in consultation with the Leader and Cabinet Member Corporate Services, to agree whether and to what extent web and digital services (subject to a business case) should be delegated to the Joint Committee in accordance with the delegation principles in section 7.

6.   Authorises the Deputy Chief Executive to undertake all necessary processes and actions and the Borough Solicitor to complete appropriate legal documentation in order to facilitate and implement the matters contained in this report.

Financial implications	There are no immediate direct financial implications arising from this report. However, the delegation of these existing shared services to the Joint committee support the overall programme for which there is a further savings target for support services in phase 3 of the programme i.e. after 2019/20.
	The programme has a budget of £10m of which £1.5m is set aside for partnership wide investment in business systems to support improvement is services.
	The proposal to align and deliver a consistent approach to ICT security and data protection across all partner sites will help reduce the net cost of the administrative overhead to the council.
	Contact officer: Paul Jones, Section 151 Officer, paul.jones@cheltenham.gov.uk, 01242 775154
Legal implications	The relationship between the partner councils and the Joint Committee will be set out in the inter-authority agreement which will, inter alia, set out the Joint Committee obligations, the administering authority's obligations, the accountable body's obligations, staffing and exit arrangements.
	The existing s101s and Collaboration Agreement will be terminated and replaced by the inter authority agreement. Arrangements with Ubico, The Cheltenham Trust and CBH will need to be amended accordingly. The delegation of functions to the Joint Committee will be subject to the overriding principle that the Joint Committee will undertake operational work and that strategic and policy matters (except HR policies) will be retained by the council.
	Contact officer: Peter Lewis, Head of Legal, peter.lewis@tewkesbury.gov.uk, 01684 272012

HR implications (including learning and organisational development)	There are no direct HR implications for Cheltenham Borough Council arising from this report. Secondment agreements are already in place for the two CBC officers who are working as part of Counter Fraud Team. The responsibility for managing HR implications falls to the employing authority for Audit Services (CDC) and for ICT (FoDDC). GOSS HR will provide guidance to those Councils on HR implications as they arise. **Contact officer: Julie McCarthy,** **julie.mccarthy@cheltenham.gov.uk, 01242 264355**
Key risks	The key risks for this Council relates to the need for service standards to be clearly stated in the Joint Committee service plans.
Corporate and community plan Implications	2020 Vision supports the Council's objective of providing value for money services that effectively meet the needs of CBC customers and community.
Environmental and climate change implications	None arising from this report
Property/Asset Implications	None arising from this report **Contact officer: david.roberts 01242 774151, David Roberts@cheltenham.gov.uk**

1. Background

1.1 Since October 2015 when this council considered and approved the recommendations of the 2020 Vision report progress has been made with the necessary arrangements to establish the Joint Committee including

- Detailed scoping of the service functions to be delegated to the Joint Committee

- Finalisation of the Inter Authority Agreement

- Formal consultation on the Partnership Venture Group Management Structure

- Establishing the client and performance management arrangements for monitoring the performance of the services delegated to the Joint Committee.

1.2 The further work undertaken since October has therefore revealed a number of residual issues which now need the approval of Cabinet in order to progress the delegations and finalisation of various legal documentation.

2. Internal Audit

2.1 On 15 November 2011, Cabinet delegated this council's internal audit services to Cotswold District Council, including the transfer of staff under TUPE (Transfer of Undertakings (Protection of Employment).

2.2 Since this council considered the 2020 Vision report and recommendations formal consultation has now taken place and concluded on the Partnership Venture Group Management Structure. The structure includes for a Group Manager responsible for Finance, HR and Audit. Therefore it is proposed that the internal audit functions, as currently carried out under an existing shared service by Audit Cotswolds, be delegated to the Joint Committee.

2.3 The responsibility for the provision of the Audit service will remain with the Section 151 Officer. The scope of internal audit activities proposed to be delegated is shown at **Appendix 2**. Audit Cotswolds do not provide a service to Forest of Dean District Council (FoDDC) who receives their service from SWAP (South West Audit Partnership).

2.4 The council's Audit Committee will be updated on the proposal to delegate the internal audit service at its meeting on 23rd March 2016.

2.5 Under the current s101 agreement the Audit Committee is designated as the Member level group for monitoring the performance of the current partnership. This is enabled by the fact that the Audit Committee is responsible for ensuring an effective Internal Audit Service as provided under their current Terms of Reference in this council's Constitution.

2.6 The proposal here is therefore that the Audit Committee will remain the designated member level group for the new shared service being delivered by the Joint Committee.

3. Counter Fraud Unit

3.1 On 10 February 2015, Cabinet received a report "Counter Fraud Unit – An Evolutionary Approach, and approved the establishment of a Counter Fraud Unit to be managed by the Council's internal audit provider, Audit Cotswolds.

3.2 The unit is still in embryonic phase with staff seconded to develop work streams which tackle fraud e.g. single person council tax discount using funding provided by DCLG.

3.3 The scope of counter fraud unit activities proposed to be delegated to the Joint Committee is shown at **Appendix 3**.

3.4 A decision to delegate internal audit functions to the Joint Committee would mean that the functions of the Counter Fraud unit would likewise need to be delegated.

3.5 As outlined in the February 2015 Cabinet report the Audit Committee already receives an annual counter fraud report from the Head of Internal Audit and it is proposed that the committee will continue to monitor the work of the unit as delivered by the Joint Committee under the new arrangements. The performance management and governance arrangements have yet to agreed by the partnership.

4. Accountable Body Status for ICT

4.1 The October 2015 report on 2020 Vision stated that Cotswold District Council would be the Accountable Body to enter into any contracts on behalf of the Joint Committee. Operational reasons have resulted in a recommendation that, in the case of ICT contracts only, West Oxfordshire be the contracting authority on behalf of the Joint Committee. All other Joint Committee contracts would be with Cotswold District Council.

5. ICT Service Standards and Performance Indicators

5.1 On 11 December 2012, Cabinet approved the sharing of this council's ICT service with the FoDDC as lead authority from 1 April 2013. In October 2015 it was agreed to delegate to the provision of ICT to the 2020 Vision Joint Committee.

5.2 Whilst ICT is not the subject of a separate cabinet report because it is not a new shared service, since the original business case was written in 2012 there has been considerable change and development within the existing ICT shared service.

5.3 The shared service has focused activity over recent years on implementing the ICT upgrade strategy to address the underinvestment in the council's ICT infrastructure which has resulted in stabilisation of the core ICT infrastructure. This activity has been supported by officers from CDC and WODC which has ensured that the ICT infrastructure across the 4 2020 Vision partner councils is aligned.

5.4 In reviewing the ICT functions to be delegated to the Joint Committee, there is an opportunity to align behind a common approach to ICT security (policies, procedure and advice) which is currently provided by the 2 separate ICTSS for FOD, West Oxford and Cotswold DC but not for Cheltenham where the Corporate Governance Officer provides this role. Similarly, data protection (data handling advice and guidance, policy and management and investigation of security breaches) is currently provided by the 2 separate ICTSS for FOD, West Oxford and Cotswold DC but not for Cheltenham where the Corporate Governance Officer provides this role. It is proposed that the 4 way ICTSS provides this common service across all partners thereby providing a consistent and cost effective approach for staff working across all sites. This recommendation is reflected in the revised list of ICT functions delegated to the Joint Committee at Appendix 4.

5.5 The service being delegated from day 1 is an 'as is' position i.e. the same level of service currently that is currently being provided. The proposal is for the Group Manager - Customer and Business Support to develop a service plan for the 4 way ICT shared service by June 2016 which will include performance measures to be agreed by the Joint committee for all 4 councils. This will provide an opportunity to revisit the service standards and performance indicators that this council will require to be met by the Joint Committee.

6. Web and digital services

6.1 There is a supporting piece of work being undertaken between Cotswolds, West Oxfordshire and Forest of Dean District Councils to share web and digital services. The project will seek to pool the limited web resource in the three Councils to build a stronger more resilient web-team that is not just concerned with managing day to day activities, but that will also work alongside the Customer Access project and users to develop and improve the digital services to meet customer needs.

6.2 Cheltenham Borough Council has been invited to join the sharing arrangement and officers are currently developing a business case which will consider the merits of remaining in-house alongside the shared option. It is proposed that, subject to the business case, the Deputy Chief Executive, in consultation with the Leader and Cabinet Member Corporate Services, will agree whether and to what extent web and digital services will be delegated to the Joint Committee.

7. Scope of Delegations

7.1 The functions to be delegated to the Joint Committee in respect of Internal Audit and the Counter Fraud Unit are as set out in Appendix 2 and 3. The functions delegated in respect of ICT, including the delegation of data handling and ICT security as per section 5.4) are set out in Appendix 4, with the potential additional delegation of web and digital services (see section 6 above). The Joint Committee will agree its own scheme of officer delegation for delivery of the functions and officers working within the Joint Committee services will operate within that scheme.

7.2 In order to be able to create a functioning service, the Joint Committee and its officers will undertake day-to-day operational decisions regarding the functions that are delegated to it. These include the management of staff and resources (delegated budget) and decisions in respect of the provision of the service e.g. response to emergencies or business interruptions.

7.3 The delegation of the functions to the Joint Committee will be subject to the overriding principle that the Joint Committee will undertake operational work and that strategic and policy matters (except HR policies) will be retained by the council.

8. Reasons for recommendations

8.1 In order to progress the recommendations of the October Cabinet and Council report and to establish the Joint Committee and the shared services.

9. Alternative options considered

9.1 The new shared service business cases have considered alternative delivery options and are subject to separate reports to Cabinet at this meeting.

10. Consultation and feedback

10.1 The Audit Committee will be briefed on 23rd March 2016 with regard to the delegation of internal audit services and the counter fraud unit to the Joint Committee. Overview and Scrutiny have received a discussion paper on the interim client and commissioning arrangements and any feedback will be provided to Cabinet in advance of this meeting.

10.2 Members and staff have taken part in a number of workshops and seminars in the period up to the October Cabinet and Council report and staff workshops are continuing to take place.

10.3 Trade Union and employee representatives are being kept informed of progress through a number of formal and informal meetings. At CBC colleagues have been updated through the

Joint Liaison Forum and the Joint Consultative Committee and the GO Shared Services Head of HR and the Partnership Managing Director have meetings with trade union colleagues also.

11. Performance management – monitoring and review

11.1 The Joint Committee Constitution requires the Partnership Managing Director, each year, to submit a 3 year business plan with an annual action plan and the Inter Authority Agreement will also include the relationship between the annual action plan and the service standards and the performance indicators that the Partnership Venture will be monitored against.

11.2 The Inter Authority Agreement will require the Partnership MD to present reports to the partner councils on the effectiveness of the Joint Committee in meeting its performance and efficiency savings targets.

Report author	Contact officer: Mark Sheldon, Director of Resources and Projects, Mark.sheldon@cheltenham.gov.uk, 01242 264123
Appendices	1. Risk Assessment 2. Internal Audit Service Scope 3. Counter Fraud Service Scope 4. ICT Service Scope
Background information	1. 2020 Vision Cabinet and Council Report – 13 October 2015 and 19 October 2015 2. Update on sharing services as part of the 2020 Partnership – Overview and Scrutiny Committee 25 January 2016

Risk Assessment   **Appendix 1**

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likeli-hood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If ICT service standards and performance indicators are not developed the council will be unable to measure the performance of the service.	Pat Pratley	9.2.15	3	3	9	Reduce	The Joint Committee will produce a service plan for ICT / Customer services by June 2016. The IAA contains a requirement for a 3 year service plan.	12.2.15	Pat Pratley	
2	If the process for monitoring the performance of the Joint Committee shared services is not agreed or clear then the performance of the shared services will not be effectively measured.	Pat Pratley	9.2.15	3	3	9	Reduce	The Inter Authority Agreement will include provision for holding the Partnership MD to account for the delivery of the shared services to the required standards and to achieve the agreed performance targets	12.2.15	Pat Pratley	

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close

Guidance
Types of risks could include the following:
- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;

- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

Risk ref
If the risk is already recorded, note either the corporate risk register or TEN reference

Risk Description
Please use "If xx happens then xx will be the consequence" (cause and effect). For example "If the council's business continuity planning does not deliver effective responses to the predicted flu pandemic then council services will be significantly impacted."

Risk owner
Please identify the lead officer who has identified the risk and will be responsible for it.

Risk score
Impact on a scale from 1 to 5 multiplied by likelihood on a scale from 1 to 6. Please see risk scorecard for more information on how to score a risk

Control
Either: Reduce / Accept / Transfer to 3rd party / Close

Action
There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitori or new controls or actions may also be needed.

Responsible officer
Please identify the lead officer who will be responsible for the action to control the risk.
For further guidance, please refer to the risk management policy

Transferred to risk register
Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on

This page is intentionally left blank

Internal Audit Services

The following table details the various activities currently in scope for Internal Audit Services provided by Audit Cotswolds. The right column shows which service is offered by each partner Cheltenham (C), Forest of Dean (F), Cotswold (CO) and West Oxfordshire (WO).

Corporate	
Advice and attendance at meetings in the role as internal auditors to the Council	C / CO / WO
Local Government Law requirements under Accounts and Audit Regulations 2015	C / CO / WO
Regular attendance at Audit Committee or equivalent.	C / CO / WO
Internal Audit advice to Officers and Members in relation to Risk Management, Control and Governance	C / CO / WO
Advice in relation to the governance of the Council.	C/ CO / WO
Dealing with internal Complaints.	C / CO / WO
Investigation of irregularities and impropriety	C / CO / WO
Delivering the CIPFA defined role of the Head of Internal Audit	C / CO / WO
Providing assurance to Audit Committee and Senior Management over all aspects of the Council' governance, Risk Management and Control framework on a risk derived basis	C / CO / WO
Advising on change programmes and projects	C / CO / WO
Advising on corporate initiatives, e.g. shared services/collaborative working	C / CO / WO
Preparation, compilation, evidencing and provision of the Annual Governance Statement	CO / WO
Testing of the Annual Governance Statement	C
Audit Team Activity derived from Risk Based Plan and supporting management	
Strategic audits– ensure risk management, governance and controls are in place to help meet organisational objectives	C / CO / WO
Compliance reviews – to ensure stated and approved strategy, policies and procedures are being complied with	C / CO / WO
Operational audits – to ensure systems of internal control are effective, risks are well managed and operations achieve objectives.	C / CO / WO
Regulatory audits – in support of external audit to ensure key financial controls work	C / CO / WO
Investigative work – reactive work in connection with potential fraud, impropriety, breach of policy/procedure etc.	C / CO / WO
Governance audits – ensure an appropriate control framework and governance structure are in place and in line with best practice e.g. Charity Commission, UK Code of Corporate Governance, etc.	C / CO / WO
Financial audits – to ensure appropriate controls are in place and complied with in relation to managing the financial matters of the organisation	C / CO / WO
ICT Audit – to ensure ICT controls are working effectively	C / CO / WO
Contract and Grant Certification audits – to review aspects of the delivery of major contracts or grants – including certification for third parties	C / CO / WO

Value for Money audits – reviewing effectiveness, efficiency, economy and education of any particular activity	C / CO / WO
Environmental audits – assessing the control framework in place to meet environmental objectives	C / CO / WO
Programme and project assurance including gateway reviews	C / CO / WO
Facilitated workshops – governance, control and risk management	C / CO / WO
Productivity reviews – work study / time study based consultancy	C / CO / WO
Risk management advice – including advice on embedding risk management and creating a risk management framework, policy and defining the appetite	C / CO / WO
Counter Fraud Services – access to independent fraud investigators through a dedicated Counter Fraud Unit (See counter fraud services spec)	C / CO / WO
Privacy Impact Assessments – and other Data Protection, information management advice	C / CO / WO
Company governance advice – under the Companies Act 2006 and Financial Reporting Council requirements including Annual Governance Statement framework preparation, review and support	C / CO / WO
Charity governance advice – under the Charities Commission requirements	C / CO / WO
Audit Committee effectiveness reviews – based on CIPFA and IIA principles	C / CO / WO
Annual Governance Statements – drafting, preparation and testing	C / CO / WO
Due Diligence audits – reviews for investments and service delivery model changes	C / CO / WO
Research – undertake research into related subject areas on behalf of management	C / CO / WO
Shared Services – advice and guidance on shared service governance, control and risk management	C / CO / WO

Head of Internal Audit role

Private meetings with / reporting to Audit Committee and/or Chair of the Audit Committee	C / CO / WO
Direct interaction with the Audit Committee	C / CO / WO
Reporting to the S151 Officer	C / CO / WO
Reporting to the Monitoring Officer	C / CO / WO
Reporting to the Head of Paid Service	C / CO / WO
Reporting to the Leader	C / CO / WO
Direct interaction with the Senior Management Team	C / CO / WO
Annual Audit Opinion – preparation and presentation of the report to Senior management and Audit Committees	C / CO / WO
Annual Risk Based Audit Plan – preparation, consultation and presentation of the Plan to Senior Management and Audit Committees	C / CO / WO
Coordination of assurance – internal auditors of other organisations e.g. One Legal service reviews link to Tewkesbury BC Internal Audit Team	C / CO / WO
Coordination of assurance – external auditors (including externalising investigations)	C / CO / WO
Assessment of other assurance providers, regulatory bodies, inspectors e.g. Health & Safety Executive, Food Standards Agency for inclusion in annual opinion	C / CO / WO
Annual review of internal audit against the Public Sector Internal Audit Standards	C / CO / WO
Five year external review of internal audit against the Public Sector Internal Audit standards	C / CO / WO
Quality review framework	C / CO / WO

Review and report on counter fraud	C / CO / WO
CPD and training programme for all team members – requirement up to Masters Degree and Chartered Status levels	C / CO / WO
Internal Audit Charter – preparation and presentation to Audit Committee for approval	C / CO / WO
Prepare and maintain audit manual	C / CO / WO
Risk assessment and resources review to ensure adequacy of internal audit resources to meet organisational needs	C / CO / WO
Sourcing resources where skills are not available within the team	C / CO / WO
Collaborative working with other internal audit services and providers	C / CO / WO
Escalation of audit recommendations to senior Management or Audit Committee for resolution	C / CO / WO
Managing the service within budgetary constraints vs risk	C / CO / WO
Reviewing the annual plans and resources through the year to keep risk focused	C / CO / WO
Preparation and review of policies relevant to the service e.g. retention and disclosure policy	C / CO / WO
Maintain Chartered Internal Auditor status	C / CO / WO
Consultancy on regional governance issues e.g. devolution	C / CO / WO
Review and comment on governance, audit and other related national consultation papers e.g. Audit and Accountability Act.	C / CO / WO

Head of Audit Cotswolds

Manage the Counter Fraud Service	C / CO / WO
Manage the Internal Audit Service	C / CO / WO
Meet with the S151 Officers as the Audit Partnership Board	C / CO / WO
Prepare and maintain Service Delivery Plans linked to organisational objectives	C / CO / WO
Prepare and enter Bids for client works	C / CO / WO
Prepare, negotiate and agree Contracts, Service Level Agreements or other means of engagement with existing and potential new clients	C / CO / WO
Market and publicise the service e.g. IIA and CIPFA awards	C / CO / WO
Source income streams and opportunities	C / CO / WO

ICT Software

Maintain audit management systems	C / CO / WO
Maintain audit data mining tools and CAATS	C / CO / WO
Craft interrogation scripts and analyse data	C / CO / WO
Maintain service risk register (Covelent)	CO

Other

Provision of Internal Audit to;

- The Cheltenham Trust
- Cheltenham Borough Homes Ltd
- Ubico Ltd

Collaborative working with:

- South Oxfordshire District Council
- Vale of the White Horse District Council

Writing Audit Standards – work undertaken for CIPFA and the IIA including delivery of workshops and seminars
Provision of internal/external audit to small bodies e.g. Cotswold Conservation Board

Counter Fraud Services

The following table details the various activities currently in scope for Counter Fraud Services provided by Audit Cotswolds Investigations (live project). The right column shows which service is offered by each partner Cheltenham (C) Forest of Dean (F), Cotswold (CO) and West Oxfordshire (WO). To be made permanent subject to business case approval in 2016/17. This is under discussion with all Councils in 2020 Vision Programme, plus others in Gloucestershire/Oxfordshire, plus housing Associations in the region. Anything specifically out of scope will be listed at the end.

Corporate

Advice and attendance at meetings in the role as corporate investigators to the Council	C/ CO / WO / F
Regular attendance at Audit Committee or equivalent.	C/ CO / WO / F
Counter Fraud advice to Officers and Members in relation to fraud, theft, bribery and corruption	C/ CO / WO / F
Advice in relation to the counter fraud strategy and response of the Council.	C/ CO / WO / F
Dealing with internal Complaints.	C/ CO / WO / F
Investigation of employment, civil and criminal referrals	C/ CO / WO / F
Delivering the CIPFA defined strategy for counter fraud	C/ CO / WO / F
Delivering the Government strategy of Fighting Fraud Locally for the Council	C/ CO / WO / F
Providing information to Audit Committee and Senior Management over all aspects of the Council's counter fraud activity	C/ CO / WO / F

Counter Fraud Activity

Investigate fraudulent CTRS claims and apply appropriate sanction	C / F
Raise debtor accounts for CTRS fraud overpayments/administrative penalties if applicable	C / F
Act as SPoC for benefit fraud investigation purposes with DWP	C
Tenancy fraud investigation and application of appropriate sanction / prosecution for all of the partners plus external housing associations	C / CO / WO / F
Monitoring court cost and raise invoices accordingly	C / CO / WO / F
Produce, verify and return government performance and statistical information e.g. transparency data, DCLG returns etc.	C / CO / WO / F
To investigate all suspicions of fraud, corruption, bribery or theft, within or against the Council, in accordance with the Criminal Procedures and Investigations Act 1996 (CPIA).	C / CO / WO / F
To consider reputational damage and the public interest test when investigating any instances of fraud, corruption, bribery or theft.	C / CO / WO / F
To conduct interviews under caution when appropriate in accordance with the Police and Criminal Evidence Act 1984 (PACE).	C / CO / WO / F
To undertake any surveillance operation or obtaining any communications data, adhering to the Regulation of Investigatory Powers Act 2000 (RIPA) – this is applicable when undertaking criminal investigations only.	C / CO / WO / F
To comply with the Data Protection Act 1998 when obtaining or processing personal	C / CO / WO / F

data.	
To report to the appropriate Senior Officer(s) (Director or equivalent) for decisions in relation to further action.	C / CO / WO / F
To enable the Council to apply appropriate sanctions, to include criminal proceedings, and to assist in the recovery of losses in accordance with the Council's Prosecution Policy.	C / CO / WO / F
To prepare Witness Statements and prosecution paperwork for the Council's Legal Department.	C / CO / WO / F
To attend and present evidence in the Magistrates Court, the Crown Court and Employment /Appeal Tribunals.	C / CO / WO / F
To provide recommendations to inform policy, system and control improvements.	C / CO / WO / F
To provide fraud awareness training and updates for Councillors and staff.	C / CO / WO / F
To publicise successes where appropriate	C / CO / WO / F
To liaise with Head of Internal Audit in relation to control and risk if identified during investigations	C / CO / WO / F
To liaise with S151 officers	C / CO / WO / F
To report to Audit Committee for performance of service and counter fraud activity	C / CO / WO / F
To liaise with other investigators / enforcement agencies	C / CO / WO / F
Value added work with regard to fraud risk within the Council e.g. new starters vetting	C / CO / WO / F
Identify areas of fraud risk and conduct fraud drives	C / CO / WO / F
Identifying training needs across the County and organising attendance / provision of training	C / CO / WO / F
Annual report on Counter Fraud Activity	C / CO / WO / F
Draft and maintain policy and procedures for the service	C / CO / WO / F
Apply civil penalties as appropriate	C / CO / WO / F
Extend assistance to internal audit team with regard to NFI exercise	C / CO / WO / F
Liaison with Police, Trading Standards and other agencies	C / CO / WO / F
Data Warehouse	
Extract data files from Council services systems	C / CO / WO / F
Cleanse and process data for matching	C / CO / WO / F
Match data and review to generate fraud referrals/anomalies/updates	C / CO / WO / F
Coordinate data extraction with each service area for matching requirements	C / CO / WO / F
Build intelligence data set for fraud investigation and debt recover and general Council use	C / CO / WO / F
Manage and maintain data base and software	C / CO / WO / F
Raise debts and bills for partner use of data warehouse	C / CO / WO / F
Draft and maintain legal agreements for data sharing	C / CO / WO / F
Liaison with ICT	C / CO / WO / F
Liaison with software supplier and maintenance of contract	C / CO / WO / F
Head of Audit Cotswolds Investigations	
Manage the Counter Fraud Service	C / CO / WO / F

Manage the Internal Audit Service	C / CO / WO / F
Meet with the S151 Officers as the Audit Partnership Board	C / CO / WO / F
Prepare and maintain Service Delivery Plans linked to organisational objectives	C / CO / WO / F
Prepare and enter Bids for client works	C / CO / WO / F
Prepare, negotiate and agree Contracts, Service Level Agreements or other means of engagement with existing and potential new clients	C / CO / WO / F
Market and publicise the service e.g. CIPFA awards	C / CO / WO / F
Network with other providers, potential clients and potential partners	C / CO / WO / F
Network with universities, colleges and institutes to source new staff	C / CO / WO / F
Source agency and contractor staff, including interview and testing of candidates	C / CO / WO / F
Manage performance of service and staff	C / CO / WO / F
Investigate complaints against the service or staff	C / CO / WO / F
Service disciplinary, competency and grievance cases	C / CO / WO / F
Review service for efficiency savings	C / CO / WO / F
Source income streams and opportunities	C / CO / WO / F
Delivery of service in line with KPIs	C / CO / WO / F
ICT Software	
Maintain case management systems	C / CO / WO / F
Maintain access / parameters for data warehouse	C / CO / WO / F
Maintain fraud data mining tools	C / CO / WO / F
Craft interrogation scripts and analyse data	C / CO / WO / F
Seek access to relevant systems for investigation purposes	C / CO / WO / F
Maintain service risk register (Covelent)	CO
Other	
Provision of Counter Fraud to: • Gloucestershire Tenancy Fraud Forum organisations • Cheltenham Borough Homes Ltd • Ubico Ltd • Gloucestershire County Council • Gloucester City Council • Stroud District Council • South Oxfordshire District Council • Vale of the White Horse District Council • Oxford City Council (Oxfordshire Counter Fraud Hub Lead)	
Collaborative working with Oxfordshire County Council	

This page is intentionally left blank

ICT

The following table details the various activities currently in scope for ICT. The right column shows which service is offered by each partner Cheltenham (C), Forest of Dean (F), Cotswold (CO) and West Oxfordshire (WO). Any out of scope items identified are shown at the bottom. There are also external contract services provided for CBH, CT and UBICO etc. that will need to be specified and agreed.

ICT	
Provide strategic ICT advice and guidance to Senior Officers, Cllrs and staff	C / F / CO / WO
Oversee ICT related procurement activities and provide input where required.	C / F / CO / WO
Design, manage and install Council networks and infrastructure	C / F / CO / WO
Telecoms – design, implementation and management	C / F / CO / WO
Disaster Recovery / Backups	C / F / CO / WO
Specify, deploy and manage ICT hardware and devices	C / F / CO / WO
ICT Helpdesk	C / F / CO / WO
GOSS Helpdesk	C / F / CO / WO
Supporting the GOSS Infrastructure	C / F / CO / WO
Ensure compliance with Gov't and Industry standards	C / F / CO / WO
Local Land and Property Gazetteer	C / F / CO / WO
GIS and Mapping	C / F / CO / WO
Street Naming and Numbering service	CO / WO
Website and digital services *	F / CO / WO
Data Services - complex reporting, data migration, transformation and extraction	C / F / CO / WO
Application Development and Integration	C / F / CO / WO
Specify, Implement and update Application Systems	C / F / CO / WO
Support Corporate Applications and Systems	C / F / CO / WO
ICT related Security Policies, Procedures and Advice	C/ F / CO / WO
Data Protection and Handling advice / guidance (excl. SIRO)	C / CO / WO

Information Security – policy development, registration co-ordination of breaches, liaison with Information Commissioner.	C / CO / WO
ICT Training	C / F / CO / WO
BACs Service	C / F/CO / WO
Issuing ID/security access cards	F / C

*Under review at CBC.

GENERIC REQUIREMENTS

The following table details the generic areas that will be undertaken by all services as standard.

Management of people
Management of financial resources
Management of non-financial resources
Production of reports as and when required
Attendance at meetings / dealing with member information requirements as required
Maintaining appropriate legislative/regulatory/professional knowledge/networks
Writing appropriate policies, procedures and guidance notes
Corporate responsibilities e.g. responding to FOI requests, safeguarding, business continuity, emergency response, equality, prevent, audit and health and safety

Cheltenham Borough Council
Cabinet – 09.02.2016
Future Energy Purchasing for Cheltenham Borough Council

Accountable member	**Cabinet Member Clean and Green Environment, Cllr Chris Coleman**
Accountable officer	**David Roberts**
Ward(s) affected	**ALL**
Key/Significant Decision	**Yes**
Executive summary	The Council at present has a short term agreement with UX Energy Services to act as a broker for CBC to procure energy The contracts procured by UX Energy with the energy suppliers expire in April 2016 and require replacement. To facilitate this a new energy procurement exercise has been undertaken working in partnership with our 2020 Partners from West Oxfordshire District Council, Cotswold District Council and Forest of Dean District Council and will ensure that the Council has gas and electricity supplies for the next 4 years along with our 2020 partners. Since the expenditure on the contract is over £100k, it is a key decision, requiring cabinet approval
Recommendations	West Mercia Energy (WME) should be appointed as CBC energy supplier under their framework.

Financial implications	The costs of using the WME framework will be embedded within the energy prices secured on behalf of CBC, and no direct cost will arise as a result. **Contact officer: Nina.Philippidis@cheltenham.gov.uk , 01242 264121**
Legal implications	The WME framework is EU compliant and the framework has a standard contract that the council will be required to enter into. **Contact officer: Sarah.Halliwell@tewkesbury.gov.uk , 01684 272692**
HR implications (including learning and organisational development)	No direct HR implications arising from the contents of this report. **Contact officer*: Julie McCarthy Julie.Mccarthy@cheltenham.gov.uk ,** **01242 264355**
Key risks	**Not agreeing supplier and having to pay emergency rates until a new supplier can be appointed.**
Corporate and community plan Implications	None of a significant nature identified and this procurement should be neutral in effect.

Environmental and climate change implications	At this stage, it has been important to determine that green electricity can be purchased through the chosen model. WME has confirmed that green electricity can be purchased, but has noted that a premium is payable because of the removal of the exemption from the Climate Change Levy (CCL) for renewable sources of electricity. At the point where electricity is being procured, therefore, the council will need to understand the impact of the removal of CCL and the resulting differential between green and brown electricity, in order to make a decision about whether to continue procuring green electricity. **Contact officer: Gill.Morris@cheltenham.gov.uk 01242 264229**
Property/Asset Implications	Comments from Property and Asset Management are included in the body of the report **Contact officer: David.Roberts@cheltenham.gov.uk 01242 264151**

1. Background

Since gas and electricity markets opened to competition in the 1990's, the energy market has become a highly specialised field of procurement. The complexity of the procurement options can create a risk if not managed by someone with the appropriate level of skills and expertise. It is also time consuming due to the potential number of suppliers and types of contract available.

In recent years the energy contract options have developed considerably with a range of procurement options available and with increasing complexity requiring specialists to manage. For example, Flexible purchasing relies on specialist buyers monitoring the market on a daily basis to ascertain the best opportunities to purchase energy, including advance purchasing. Specialist support is required to ensure value for money and appropriate risk management levels are applied.

Several buying organisations, both private and public sector, can secure such contracts on the Council's behalf. Public sector buying organisations (PBOs) are favoured because they focus solely on public sector needs rather than trying to match the potentially competing objectives and requirements of private and public sector organisations. In addition, these groups have long experience of acting on behalf of the public sector and are therefore well versed in their requirements and processes. The frameworks that offer this service have been procured in accordance with EU Directives and comply with the Public Contract Regulation.

The Council has used UX Energy Services a non PBO for the last year after negotiating a year extension to their existing council framework and CBC now needs to be able demonstrate best value and compliance with the Public Contract Regulations for its future needs.

The task of looking at procurement of energy was considered by a group consisting of representatives from the 2020 Partners, Go Shared Services Procurement Team, Oxford County Councils Procurement Team, (on behalf of West Oxford Council) and the City of Oxford Energy Team, (through Links with Oxford County Procurement Team) who were tasked with procuring energy for all the partner councils.

2. Alternative options considered

2.1   Option 1 do nothing – not a real option as the Council needs a supply of energy to function and deliver its services. If not managed properly and energy contracts are not secured, out of contract "deemed" rates would be incurred meaning significant increases in energy costs at a time when budgets are getting increasingly constrained.

2.2   Option 2 run a procurement process in-house to either purchase energy itself or go to the market for a broker to buy on its behalf– this would be a costly exercise that would not necessarily guarantee value for money for the Council. CBC does not possess the specialist trading knowledge that is essential for operating within the energy market. The Council would also not be able to procure energy flexibly itself direct from the wholesale market due to its volumes being too low. The volumes that the Council will need to purchase would also not be as attractive as a stand-alone client for energy suppliers compared to aggregating purchase through a third party such as a PBO and using the collective purchasing power to secure the most competitive rates. The procurement would be above the EU threshold and therefore would be subject to EU procurement rules. In a volatile market such as energy supplies, the supplier will load the costs as during the standstill period energy prices can fluctuate and this would not give the best value for the councils.

2.3   Option 3 use a public (professional) buying organisation (PBO) or third party intermediary (TPI) buying organisation PBOs/ TPI's act on behalf of a client to purchase its energy and related services for a commission. This is a fast and growing area with both not-for-profit public sector focussed (PBOs) and profit driven private sector players on the market. Whilst there are a

number of reputable and well-established private sectors organisations available, not all of these organisations procure energy in accordance with the Public Contract Regulations. PBOs which buy solely for the public sector ensure that they comply with EU procurement directives and the Public Contract Regulations. PBO's, therefore, present a closer match to local authority purchasing requirements, whilst the market is developing (and as the TPI codes of practice is still being developed by Ofgem)it is safer to work with a PBO for the next energy purchasing framework period The developing market and procurement options will continue to be tracked and monitored with a view to future decisions on our approach to Energy (and in future water) purchasing. PBOs offer a fully managed, flexible and risk managed approach to energy purchasing and commonly has dedicated teams, experienced in energy trading that provide a compliant route to market for public sector organisations. There are various PBOs available to local authorities to procure energy, with some of the main PBOs as follows:

- Crown Commercial Services (CCS)

- Eastern Shires Purchasing Organisation (ESPO)

- London and South East Region (LASER)

- West Mercia Energy (WME)

- Yorkshire Procurement Organisation (YPO).

2.4   The option of using a PBO for the reasons given above was felt to be the most appropriate approach following discussions with Go Shared Services, Oxford County Procurement, working for West Oxford, a representative from West Oxford a representative from CBC and the Oxford City Energy Team. The group looked at performance of the PBOs and the services offered. However it was difficult to back-test performance of the various PBOs to gauge what energy costs may have been, given the fact that energy purchasing is happening in a dynamic way on a daily basis and this sets the final price secured for a set purchasing period which were not comparable. From the evidence the offerings available from the various PBOs were generally similar with some offering more flexibility and a wider range of extra options. CCS for example do not offer as wide a range of support, which was felt was required by CBC and ESPO are a joint offering with Laser, so they were dismissed as the Lasers offering was earmarked for more in-depth consideration. From this process, given the time constraints, and the similar levels of service on offer from the various PBOs, it was decided to focus on two major PBOs, based on existing 2020 Partners experience of use of their services. LASER, employed successfully by Oxford City Council for the last 3 framework periods (also used by Oxfordshire County Council and other authorities in Oxfordshire – such as Cherwell District Council and West Oxon District Council) and WME – employed by Cotswold District Council , Forest of Dean Council, Tewkesbury Borough Council and Gloucester City and County Councils:

2.5   Option 4 an additional option was explored for CBC looking at its existing supplier UX Energy, a TPI, this option is not recommend it for the following reasons

- The existing framework they offered was not felt to comply with the OJEU regulation, and is due to expire in 2016

- The closer match of a PBO as opposed to a TPI for supplying CBCs needs

- The proposed replacement framework was not in place and has not been through the OJEU process as yet and therefore there is a risk of it not reaching a successful conclusion in time for our needs and questions still remain about the suitability for CBC use.

- Finally the cost model showed the management fees would be higher than the WME model, though this is a hidden fee and might not reflect in the final costs paid by CBC for its energy

2.6 As part of the procurement exercise a set of questions of areas of requirements for service delivery were used and the 2 leading PBOs Laser and WME gave presentations to the 2020 group looking at the procurement process. Following the presentations and further group discussions the WME model and services was felt to most closely match CBCs needs.

2.7 A Cost comparison of the management fees levied by the suppliers was undertaken looking at Laser, UX Energy and WME, however, it proved difficult to compare directly as each model achieves the required income in different ways but from the figures provided and modelled for CBC on our present use the WME model appeared to provide the best VFM

3. Reasons for recommendations

3.1 Following the process described in section 2 and conversations with framework suppliers representatives from Oxford City Council, West Oxfordshire District Council, Cotswold District Council and Cheltenham Borough Council considered which framework would be the best suited for each authority, the view collectively was that the WME offer was a better match for the 2020 Partner Councils including CBC for the following the reasons

- WMEs performance has been better than the industry average

- WME operate a trading gains sharing scheme with the user Councils

- The WME operating cost recovery model for their fees is the lowest of the 3 looked at, (however this cost is not always visible as it is collected from the electricity producers)

- WME have a successful track record of delivering to some of the 2020 Partner councils

- The match of the energy purchasing model was identified by Oxford Cities Energy Team as the best match to CBCs portfolio

- The Partners have experience of WME and have already developed a working relationship

- The WME Offices are relatively close to CBC and their business is concentrated in supplying Councils in the South West and West Midlands, giving easier access to support

- The partner councils are recommending that WME is there provider and this procurement will therefore bring CBC in line with the other 2020 Partner Councils

- WME is also developing further energy management services as part of their packaged service

- WME offer a fully managed procurement service only meaning that energy bills are validated and processed by WME prior to passing on to the customer for payment. This level of support is important for the Councils due to limited in-house skills and resources, but this is at an additional cost which CBC will need to make allowance for. (This cost was included in the cost model and WME were still notionally the best VFM)

- Overall the support services offered by WME were the felt to match CBC needs best (Again there will be fees for any services)

- This framework offers fully flexible purchasing, with the ability to trade ahead of and within financial year

- WME offers a capped price in line with the financial year, which gives 12 months budget certainty. In March of each year WME communicate the capped energy price for the forthcoming financial year, which is the maximum that a customer will pay

- If wholesale prices increase there is no reconciliation resulting in further charges to be paid. The capped price is then reviewed in August and December to determine if any discounts off the cap can be given

- Access to the WME website which has consumption data and reports

- Bills come from WME not the supplier making billing easier.

4.   Consultation and feedback

4.1   This procurement process has been developed with the Director of Resources, The project team, the GO Shared Services Procurement Team , Oxford City Council Energy Team, and consultation with Finance Legal and HR.

5.   Performance management –monitoring and review

5.1   WMEs offer includes various management and performance review opportunities including the following which will enable CBC to input and feedback on the performance of WME

    a.   Quarterly reviews discussing portfolio and billing issues

    b.   Annual pricing meeting (Late Feb/early March)

    c.   Termly pricing decisions (usually price set in March maintained for year)

    d.   Position statements reviews :

- October (half year position)

- December (ahead of pricing for final quarter)

- February (linked to pricing meeting)

- July (final one)

    e.   Energy Manager group meetings :

- South West group

- All customers.

5.2   The in house CBC capacity for the management of the energy contract and ongoing opportunities and risk associated with energy use needs developing as the resource and capability in the Council is limited and this will need to be developed to maximise the benefits of the contract.

5.3   In addition WME have their own internal controls and risk management including the following

- Energy Governance Accountability Risk and Reporting Policy

- Daily Internal purchase meetings

- Daily value at risk reporting

- Daily phone calls with eternal third party market analysts

- Bespoke system developed to manage queries

- Full audit trail of phone calls, letters, emails attached to customer accounts.

- Regular supplier meeting to manage/escalate queries

- Letters/accruals issued to customers

This can be monitored by CBC working in partnership with WME.

Report author	Contact officer: **Gary.Angove@cheltenham.gov.uk** , **01242 264250**
Appendices	1. Risk Assessment

Risk Assessment

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likely-hood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If there are cost variations between "green" and "brown" energy tariffs then then the council will need make a judgement about which supplier to use this may not favour the green supplier then reduce the rate of discount to the prevailing Climate Change Levy (CCL)	Head of Property Services	01.10.2015	2	6	12	Report to be developed when the framework set up to compare and report to Cabinet on implications	The greenest sources of energy will be sourced where viable for the quarterly supplies on fixed term contract - but this will need to be reviewed in the light of the reduction to the rate of discount to the prevailing rate of (CCL)	Ongoing	Building Surveyor	NA
	If we use brown energy then our carbon emissions will increase with the knock on effects to	Head Of Property	01.12.2015	2	3	6	Reduce energy use continue with green energy	Investigations of likely outcomes of using brown energy and review our energy strategy and	April 2016	Building Surveyor	

global warming both for biodiversity and more extreme weather effecting the cost of running our property stock							plans of action to reduce carbon emissions			
If there was a global incident e.g. war, natural disaster etc. that materially affected the supply/ price of gas / water / electricity then this may have a significant impact on the cost and supply of energy	Head of Property Services	02.11.2015	3	4	12	Transferred to Supplier	Complete analysis tools such as Kraljic, supplier referencing, Porters 5 Forces, etc. this will result in regular monitoring reports being provided by the supplier to CBC this will enable a joint response to be developed to any threats or price increases	monitored by property services	Teambuilding Surveyor with Procurement support	
If the price of energy drops significantly during the	GO Shared Services Procurement team	01.04.2015	2	2	4	Accept	The contract would be locked in for a four year			

period of the contract then the council would be unable to change supplier						framework period with billing coming from WME, there is some flexibility to discuss with WME the price variation in the contract			

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close

Agenda Item 13

Cheltenham Borough Council
Cabinet – 9 February 2016
Gloucestershire Local Transport Plan (2015 – 2031) – Consultation Document

Accountable member	**Councillor Jordan - Leader**
Accountable officer	**Tracey Crews – Head of Planning**
Ward(s) affected	**All**
Key/Significant Decision	**Yes**

Executive summary	The Local Transport Plan (LTP) sets the long term strategy for transport delivery within Gloucestershire from 2015 – 2031. The Plan sets out key policies and priority highway schemes that form the basis for decisions on transport investment in the future. This is a review of the LTP adopted in April 2011. Cheltenham Borough Council responded to an earlier consultation April 2015.
	
	The consultation seeks comment on:
	• Overarching Strategy
	• Connecting Places Strategies, and
	• policy documents on;
	   o Bus
	   o Cycle
	   o Freight
	   o Highways
	   o Rail
	   o Think travel
	
	It is essential that Gloucestershire's LTP is updated to support delivery of the Strategic Economic Plan, the emerging Local Plans, including the Gloucester Cheltenham and Tewkesbury Joint Core Strategy and the Cheltenham Plan, and to maximise the opportunities to attract further levels of investment for transport within the county. It is also important that the LTP reflects the transport infrastructure required to deliver growth in the Joint Core Strategy that is identified through the Joint Core Strategy Transport Modelling evidence.
	
	Officers and Members have reviewed the consultation document and proposed comments for formal submission are provided at Appendix 2 of this report.

Recommendations	**To agree Cheltenham Borough Council's representations to Gloucestershire's Draft Local Transport Plan (2015 – 2031)**

Financial implications	None to note. **Contact officer: Nina Philippidis, Business Partner Accountant nina.philippidis@cheltenham.gov.uk, 01242 774121**
Legal implications	The Transport Act 2000, as amended by the Local Transport Act 2008, introduced a statutory requirement for local transport authorities to produce a Local Transport Plan. The Local Transport Plan should be kept under review, and altered if considered appropriate. The local transport authority may replace the Local Transport Plan as it thinks fit. The Transport Act sets out the statutory framework for Local Transport Plans, including policies to be developed and consultation requirements. The Local Transport Plan is a material consideration when a Local Planning Authority determines a planning application. **Contact officer: Peter Lewis – Head of Law (Regulatory), legal.services@tewkesbury.gov.uk, 01684 272012**
HR implications (including learning and organisational development)	None.
Key risks	The Local Transport Plan is a key strategy for the delivery of essential transport infrastructure to support the delivery of growth identified through the Joint Core Strategy and the Cheltenham Plan. It is essential that the Local Transport Plan is updated to contain the infrastructure schemes required to deliver this development. Without the Local Transport Plan Review there is a risk that the delivery of the infrastructure would be delayed or not achieved and therefore risk the delivery of new development.
Corporate plan Implications	Appropriate delivery of transport infrastructure needed to support new development within a context of connecting places will contribute to supporting objectives of the corporate plan.
Environmental and climate change implications	An independent Strategic Environmental Assessment (SEA) has been prepared in support of the Local Transport Plan Review. A Strategic Environmental Assessment is required for Local Transport Plans in accordance with the procedures prescribed by the Environmental Assessment of Plans and Programmes Regulations 2004 (the Strategic Environmental Assessment Regulations).
Property/Asset Implications	None.

1. Background

1.1 The adopted Local Transport Plan for Gloucestershire (LTP) was adopted in April 2011. The preparation of this plan is a responsibility of Gloucestershire County Council. A full review of the LTP has been underway since 2014; this review shifts the emphasis for transport towards one that enables conditions for economic growth by improving the quality of place.

1.2 The LTP review was first made available for public consultation for 6 weeks from 16th February to 27th March 2015 and Cheltenham Borough Council submitted comments. Following this consultation a further draft has been published. The updated draft LTP outlines the transport strategy for the county up to 2031. It consists of 13 separate documents and this stage is the final opportunity to comment before the LTP is approved. The draft LTP has been made available for consultation from 20 November 2015 – 5 February 2016, Cheltenham Borough Council has agreement with the County Council to formally submit comments following consideration of this report by Cabinet.

1.3 The draft LTP review provides a new strategy for transport delivery in the County from 2015 to 2031 with a focus on promoting economic growth. It sets out the following 4 objectives;

- Support sustainable economic growth;

- Enable community connectivity;

- Conserve the environment, and

- Improve community health and well being.

1.4 The focus of these objectives is to move away from a model where the car is the dominant mode of transport towards the car being one transport choice within a range of realistic options.

2. Connecting Places

2.1 The LTP review includes 6 connecting places strategies, these strategies move away from looking at individual districts of Gloucestershire, to looking at transport needs across relevant geographical areas, including considering implications beyond the county boundary of Gloucestershire. This approach to understanding transport movements and cross boundary implications is supported.

2.2 The relevant connecting places strategy for Cheltenham is the 'Central Severn Vale Connecting Places Strategy'. This strategy contains the major urban areas of Cheltenham and Gloucester and identifies a list of transport schemes to be delivered in the area. These schemes have been directly informed by the development strategy set out in the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy (JCS) in order to ensure that transport investment supports future growth. The schemes relate to those that have been tested through the Joint Core Strategy transport modelling process.

3. Summary of comments from Cheltenham Borough Council

3.1 In general the policies and strategies are supported; however in a number of places across the LTP it is unclear how the positive policy direction, particularly around creating places for people will be implemented and how the importance of the public realm is taken into account. There still remains a lack of clarity within the LTP of how Gloucestershire County Council will reconfigure the management of transport in Cheltenham to enable the shift in the type of transport infrastructure provided, but also the creation of decent streets, spaces and transport nodes; plus sensitive management of assets such as tree stock and the streets themselves.

3.2 When Cheltenham last submitted comments on the LTP we emphasised the work of the Walking and Cycling Scrutiny Task Group and their findings were subsequently forwarded to the transport team. Although the redraft shows some positive improvements in the orientation of the LTP towards walking and cycling there are still areas it could go farther.

3.3 The previous comments also queried whether the Parking Boards where discussion was envisaged with each district actually existed. It is disappointing to note that the latest version has deleted the reference. Cheltenham Borough Council is keen that there should be a forum (eg Highways Board) where not only parking matters but more general highways issues relating to Cheltenham can be discussed. This is subject to current discussion with Gloucestershire County Council.

3.4 The LTP has an important relationship with the JCS and this is well understood in the latest draft. However, there needs to be a better alignment in respect of delivery of transport infrastructure needed to deliver the strategic allocations. It is expected that all the strategic allocations will be frontloaded within the JCS plan period, however if the LTP is adopted as currently drafted there will be a delay between development and the delivery of infrastructure to support it.

3.5 The commitment to M5 junction 10 is supported, however placing this within the longer term priority of 2026 – 2031 does not fit with the aspirations of the strategic Economic Plan, nor the cross boundary task group established to develop the business case feeding into Highways England Road Investment Strategy. The latest investment strategy (2015 -2020) outlines how government will invest £15.1 billion in over 100 schemes across the road network between 2015 and 2020. The relevant stakeholders are working towards M5 junction 10 being one of the road schemes identified for the next investment round.

3.6 References to Lower High Street are noted, however officers are unclear on what is proposed as improvements. The Cheltenham Development Task Force supports the Lower High Street Action Group and the Borough Council requests that engagement takes place with relevant stakeholders to ensure agreed outcomes are achieved.

3.7 Whilst there are references throughout the LTP to sustainable transport, the Borough Council is disappointed in the lack of analysis in this regard. Sustainability should be a strand which connects all parts of the plan. This seems to be a key missing from the consultation document.

3.8 Cheltenham Borough Council has been lobbying for improved broadband. The recognition by the LTP of the role of broadband in delivering economic growth is supported, however as drafted the LTP suggests that deficiencies in broadband provision is a rural issue. This is not the case and the deficiencies within urban areas should also be acknowledged.

4. Reasons for recommendations

4.1 It is important that Cheltenham gives careful consideration to proposed changes set out within the LTP consultation document, once approved the LTP will set strategic transport policy for the county, make commitments to highway schemes and guide funding decisions. Given the agenda set by the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy together with the emerging Cheltenham Plan and wider contexts set by the Gloucestershire Strategic Economic Plan, it is essential that these are reflected in the LTP to ensure future delivery of transport infrastructure and behavioural change.

5. Alternative options considered

5.1 The purpose of the LTP consultation is the gain feedback on the policies and strategies proposed, this may inform an alternative strategy.

6. Consultation and feedback

6.1 Gloucestershire County Council engaged with stakeholders during autumn 2014 to help inform the LTP document now available for consultation. Officers and Members of the Borough Council took part in these stakeholder sessions. Members received a presentation from the County Council providing an overview of the LTP consultation document on 3rd March 2015. The Borough Council submitted comments on an earlier draft of the LTP April 2015 and ensured the findings of the Walking and Cycling Overview and Scrutiny Task Force were made available.

6.2 All members were provided with the relevant link to the latest draft of the LTP and given the opportunity to feed into this report.

6.3 Relevant officers of the council were consulted on the drafting of this report, including the Cheltenham Development Taskforce.

7. Performance management – monitoring and review

7.1 The Planning Policy Team will closely follow the progress of the review of the LTP and report back to Cabinet any issues which will impact upon the Borough.

Report author	**Contact officer: Tracey Crews – Director of Planning,** tracey.crews@cheltenham.gov.uk **, 01242 264168**
Appendices	1. Risk Assessment 2. Cheltenham Borough Council - comments to Local Transport Plan Consultation Document
Background information	1. Draft Local Transport Plan – Consultation Document http://www.gloucestershire.gov.uk/ltp3 2. Cheltenham Borough Council representations on LTP (April 2015) https://democracy.cheltenham.gov.uk/documents/s15153/2015_04_14_CAB_LTP3_report.pdf

Risk Assessment

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likeli-hood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the LTP is not updated there is a risk that the delivery of the infrastructure would be delayed or not achieved and therefore risk the delivery of new development.	Mike Redman	25.3.15	4	2	8	Reduce	Planning Policy Team to continue to review changes arising and report back to Cabinet as appropriate.		Tracey Crews	Divisional

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close

Have your say on Transport

Gloucestershire's draft Local Transport Plan - Consultation
This consultation will run from 20th November 2015 to 5th February 2016

The draft Gloucestershire Local Transport Plan (LTP) outlines the county council's priorities for transport delivery between 2015 and 2031. It reflects the views expressed through consultations held between 2014 and 2015, and sets out the strategic context for how people will be able to travel and access jobs, goods and services up to 2031.

This is the final stage of the LTP review. Following this consultation the plan will be put forward to Full Council for adoption during the spring of 2016.

How to complete the questionnaire:

Go online to: www.gloucestershire.gov.uk/ltp3 and submit your comments electronically. Electronic copies of the consultation material will be available to view on the website.

Or

Submit handwritten feedback using this form as follows:
3333
- Please comment on the documents individually under the relevant title
- Please identify the paragraph you are referring to in your response
- Return your completed questionnaire to the reception desk or send it to the address below

Strategic Planning (Block 5, 1st floor)

Shire Hall

Westgate Street,

Gloucester GL1 2TH

Responding as an **organisation**?	Post Code / Area: GL50
Name of organisation **Cheltenham Borough Council**	Your name: Tracey Crews – Director of Planning

Overarching Strategy

| 1) **Draft Overarching Strategy**

 This draft strategy acts as guidance for anybody requiring information on how the County Council will manage the transport network in Gloucestershire up to 2031.

 Do you have any comments on the Draft Overarching Strategy? | **Growing Gloucestershire's Economy:** This section should provide greater recognition that in many cases transport infrastructure is the most critical component in unlocking development sites that can deliver this economic growth.

 New development will also present transport opportunities, such as helping to provide and attract funding for transport investment and improving the viability of transport infrastructure – particularly bus and rail – development is not just about presenting challenges.

 Cheltenham Borough support the transport priorities listed. However, given the JCS policy which establishes growth at Ashchurch it would better support the delivery of the JCS if this station was included in supporting the delivery of sustainable development over the period of the LTP.

 It is disappointing to note that the previous reference to district level Parking Boards has been deleted. Cheltenham Borough Council is keen that there should be a forum (eg Highways Board) where not only parking matters but more general highways issues relating to Cheltenham can be discussed. This is subject to current discussion with Gloucestershire County Council as part of the devolution process. |

This section makes reference to evidence in regards to LEP and views around development at junction 10. The JCS and supporting local plans are helping to facilitate demands for new employment through the release of new land with clear reference to the M5 growth corridor as set out in the SEP. Any future development in and around junction 10 is directly related to an upgrade to an all movements junction enabling movements north and south. The Borough Council supports the investigations to determine the business case for the upgrading of M5 junction 10.

This section rightly points out the costs of transport infrastructure and the funding gap identified. The LTP should look to all possible sources of funding to address this. It is noted that traditional funding streams are listed, but others are available and should be pursued, for example through health budgets.

Inclusion of broadband in helping to deliver economic growth is supported, however slow speeds are not limited to rural areas. There are areas of Cheltenham falling outside the Fastershire Broadband Project and this needs to be picked up; the DCMS's Super Connected Cities Broadband Voucher Scheme has been operating within the County's urban areas as one way to help deal with this issue, but is now halted.

LTP Objectives and expected outcomes: Reference to 'urban retail areas' should be changed to urban centres or urban service centres to recognise the wide range of facilities and services offered in the centres. It is not only retail.

Transport schemes should be designed not only to "reduce the adverse impact of transport" but, where appropriate and within budget, to have a positive impact on and enhance the quality of the County's natural, built and historic environments. This section could reasonably be retitled "Conserve and Enhance the Environment". This will apply throughout the LTP and its policy documents.

Although walking has a section in the Highway PD and is mentioned as an outcome in the health objective, it is not recognised in a separate policy document. Walking is an important mode in Cheltenham (15 % travel to work in 2011 census) and requires individual consideration. One of the criticisms of Cheltenham Borough Councils Overview and Scrutiny Walking and Cycling Task Group was the lack of specific attention given to walking in policy terms in its own right and the impact that has on initiatives.

Although modal shift is the sub text of the objectives modal shift away from the car should be an overriding objective.

LTP Challenges: The challenge of supporting sustainable economic growth should recognise the role of transport plays, including unlocking development potential.

The challenge of community connectivity should also to be to ensure that individuals have access to social and leisure opportunities.

The challenge of conserving the environment needs to recognise the positive impact of high quality environments on active travel. Encouraging active travel and use of sustainable modes requires the creation of high quality and attractive public realm, both in links and places. This needs to be recognised in these policies and throughout the document. The Conserve challenge also needs to embrace *enhancement* of the environment.

Delivery Priorities: It would be useful to specifically recognise the role of Highways England and their funding streams in helping to deliver transport projects – i.e. through their Route Based Strategies and Road Investment Strategies.

There should be flexibility over the delivery phases in which projects are

placed. This would be to recognise that some projects may be required earlier or later than envisaged depending on when the need for them arises i.e. when large developments come forward.

The reference to CIL is negatively worded. If the growth agenda is to be successful in delivery it is critical that all the relevant agencies work proactively together in agreeing priorities. As stated earlier in the overarching strategy there is a funding gap for transport infrastructure. All agencies must work constructively and creatively to address this gap. Discussions are ongoing via the Gloucestershire Economic Growth Joint Committee on the delivery of strategic infrastructure and CIL. This ongoing engagement and joint working should be recognised.

Countywide Short-term capital delivery priorities (2015 to 2021): The housing trajectory for the JCS envisages that all of the Strategic Allocation sites will be delivering significant amounts of new development within the 2015-2021 periods. It will therefore be important that the short-term delivery priorities set out through the LTP include any necessary infrastructure improvements to deliver these sites. Particularly corridor improvements on the A4019 (Tewkesbury Road) and A46 (Shurdington Road) around Cheltenham and the A38 (Tewkesbury Road), B4063 (Cheltenham Road East) and Innsworth Lane around Gloucester.

The inclusion of 20mph zones is supported and responds to advice provided by Cheltenham's Walking and Cycling Overview and Scrutiny Group; the Borough Council has passed a resolution to explore opportunities for 20mph zones in the town. Gloucestershire County Council should note that it is practice elsewhere, to seek funding from health authorities to help pay for a scheme.

The inclusion of the Cheltenham Transport Plan and Cheltenham Spa Railway Station Enhancements are supported. However, there is no reference to Cheltenham bus station. Improvements to the interchange

facilities are being actioned by the Borough Council, but the role it plays as a strategic interchange should be recognised by the LTP.

Access improvements linking Honeybourne Line to A40, Cheltenham should also recognise that this offers the opportunity for access improvements to Cheltenham Spa Railway Station.

Countywide Short-term capital delivery priorities (2015 to 2021): To support delivery of the JCS and support a sustainable transport strategy Ashchurch Station should also be included as a short-term priority to improve the standard of the station for its users.

Countywide Medium-term capital delivery priorities (2021 to 2026): The A46 (Shurdington Road) and A46/A438/M5J9 corridor improvements are included in this medium term period. However, strategic allocations are expected to deliver new development within the short-term time period and therefore it is essential that the appropriate infrastructure is delivered to support these sites and not delay delivery. Therefore corridor improvements in these locations (or at least elements of them) may be required at an early timescale than set out in the LTP.

It is noted that a number of schemes that would directly relate to the delivery of the JCS strategic allocations are included within the long-term priority period. Namely this includes the A40 Longford Roundabout, A417 Brockworth Bypass/A46 Shurdington Road, A4019 Cheltenham, and B4063 Churchdown.

Bus priorities should include work with Cheltenham Borough Council and partners to implement enhanced quantity and quality of coach facilities in Cheltenham as an important element in the development of the town centre economy through tourism.

Welcome the inclusion of bus advantage at Lower High Street Cheltenham

where this assists with improved movements, but has this been modelled with outputs from the Cheltenham Transport Plan? This area needs better management to facilitate free movement and deliveries etc. not further restrictions on movement. Request further consultation with Cheltenham Borough Council and the Cheltenham Development Task Force Lower High Street Action Group. Is the blight on 453 High Street reserved for traffic widening to be removed?

Support improved service linking to Bristol, but this must extend to Cheltenham given its predominance in passenger numbers.

Countywide Long-term capital delivery priorities (2026 to 2031): Strategic park and ride expansion for Cheltenham is supported. However, the strategic park and ride scheme at Uckington is listed as a long term priority. This risks undermining the sustainable transport options and reduction in car journeys offered by earlier delivery through the North West Cheltenham Urban extension – it is suggested that Uckington P&R is included within Short-Term priorities.

Do not understand why Junction 10 is listed for the period 2026 – 2031. A task group is now in place to develop the business case for an all movements junction and when the latest SATURN model is available, junction 10 will be tested (later this year). The outputs of the modelling and discussions from the task group will feed into Highways England funding priorities (to be worked up by 2018) which, if junction 10 is successful, will be included in the funding strategy for 2021.

A4019 Honeybourne Railway Bridge – height clearance – is this instead of removing stanchion? If so can we remove the blight affecting number 453 Lower High Street? This would be supported by Cheltenham Borough Council.

LTP Monitoring Indicators: Indicators should include Increased use of

	walking.
	Currently measuring points for use of cycling are sparse. It is suggested that a more comprehensive set of data collection locations is established.

Connecting Places Strategies

2) Draft Central Severn Vale Connecting Places Strategy

This draft strategy acts as guidance for anybody requiring information on the County Council's priorities for transport Cheltenham, Gloucester, Churchdown and Bishop's Cleeve.

The document sets out the aspirations for the Central Severn Vale Connecting Paces Strategy area up to 2031.

Do you have any comments on the Draft Central Severn Vale Connecting Places Strategy?

The Place: Even more explicit reference should be made to the JCS proposals and strategic allocations and the impact that this would have on local and strategic infrastructure. In addition it is considered that stronger reference should be made to importance of transport infrastructure in unlocking development sites and delivering growth. At the moment the text refers to impact and managing this growth but transport infrastructure is key to delivering this growth.

In setting the Place context for transport in the CSV, the LTP should indicate that Cheltenham is a relatively flat, compact urban area which suits active travel modes. It has a large Regency urban core, designed as a piece, which has a robust permeable street structure ideal for walking and cycling. This structure is enhanced by the attractive quality of many of the streets– tree-lined and landscaped, flanked by well-preserved Regency architecture, presenting a pleasant environment for walking and cycling.

The policies give limited sense that transport and highway assets (street scene, tree cover etc.) will be managed in a manner that acknowledges Cheltenham as a "place for people" and that there will be a significant shift towards the pedestrian being "dominant" and sustainable travel use being "strong". The designation of Cheltenham as a "place for people suggests not only a shift in the type of transport infrastructure provided, but also the creation of decent streets, spaces and transport nodes; plus "sensitive" management of assets such as tree stock and the streets themselves

Issues include:

- a fragmented cycle network in Cheltenham.

- Negative impact of the inner ring road on radial walking and cycle routes into Cheltenham town centre

Short-term priorities (2015 to 2021): Access improvements linking Honeybourne Line to A40, Cheltenham should also recognise that this offers the opportunity for access improvements to Cheltenham Spa Railway Station.

The strategic park and ride scheme at Uckington is listed as a long term priority. This risks undermining the sustainable transport options and reduction in car journeys offered by earlier delivery through the North West Cheltenham Urban extension – it is suggested that Uckington P&R is included within Short-Term priorities.

The Cheltenham Borough Council Walking and Cycling Overview and Scrutiny Task Group has questioned why the trial scheme for removing traffic lights in St Margaret's Road was not made permanent. Anecdotal evidence suggested the trial was a success from a pedestrian perspective, regardless of the apparent lack of car journey time improvement. However, it should be considered that a solution to the problem of a reduced cycle links resulting from the trial would need to be solved.

Typo – Tewkesbury Road is referred to as A435.

Medium-term priorities (2021 to 2025): JCS strategic allocations at Leckhampton and Brockworth will have an impact on traffic accessing the A46 into Cheltenham. Both of these sites are expected to delivery in the short-term time period. It is important that the necessary infrastructure improvements are delivered to enable the development of these sites. Therefore it may be necessary for corridor improvements to be made in a shorter timescale to deliver

growth in a timely manner. It is felt that this should be moved toward the short-term priority list.

Medium term priorities should include working with partners (including Cheltenham Borough Council) to improve coach drop off and parking facilities – an important contributor to the town centre economy.

Long-term priorities (2026 to 2031): A number of highway schemes set out in the long-term priority list would be directly related to JCS strategic allocation sites around the Cheltenham and Gloucester. It is expected that all of the allocations will start delivering new development within the short-term time period. Therefore there is concern that the identification of improvements in some of these area would not match up with the timescales form the delivery of growth. It will be important for highway infrastructure improvements to be implemented to help unlock growth on these sites. Therefore it may be necessary for corridor improvements to be made in a shorter timescale to deliver growth in a timely manner.

The Outcomes: should include the value of enhancing the environment as an important element in creating urban areas where the opportunity for active travel is maximised.

3) Draft Forest of Dean Connecting Places Strategy This draft strategy acts as guidance for anybody requiring information on the County Council's priorities for transport within Coleford, Cinderford, Lydney, Newent and surrounding areas. The document sets out the aspirations for the Forest of Dean Connecting Paces Strategy area up to 2031. **Do you have any comments on the Draft Forest of Dean Connecting**	No comments

Places Strategy?	
4) Draft North Cotswold Connecting Places Strategy This draft strategy acts as guidance for anybody requiring information on the County Council's priorities for transport within Chipping Campden, Moreton-in-the-Marsh, Bourton-on-the-Water and Stow-on-the-Wold The document sets out the aspirations for the North Cotswold Connecting Paces Strategy area up to 2031. **Do you have any comments on the Draft North Cotswold Connecting Places Strategy?**	No Comments
5) Draft South Cotswold Connecting Places Strategy This draft strategy acts as guidance for anybody requiring information on the County Council's priorities for transport within Cirencester, Tetbury, Fairford and Lechlade-on-Thames and surrounding areas. The document sets out the aspirations for the South Cotswold Connecting Paces Strategy area up to 2031. **Do you have any comments on the Draft South Cotswold Connecting Places Strategy?**	No Comments
6) Draft Stroud Connecting Places Strategy This draft strategy acts as guidance for anybody requiring information on the County Council's priorities for transport within Berkeley, Cam & Dursley, Nailsworth, Sharpness, Stonehouse, Stroud and Wotton-under-Edge and surrounding areas. The document sets out the aspirations for the Stroud Connecting	No Comments

Paces Strategy area up to 2031. **Do you have any comments on the Draft Stroud Connecting Places Strategy?**	
7) Draft Tewkesbury Connecting Places Strategy This draft strategy acts as guidance for anybody requiring information on the County Council's priorities for transport within Tewkesbury, Ashchurch and Winchcombe and surrounding areas The document sets out the aspirations for the Tewkesbury Connecting Paces Strategy area up to 2031 **Do you have any comments on the Draft Tewkesbury Connecting Places Strategy?**	No Comments

Policy Documents

8) PD1 - Bus The Draft Bus Policy Document and sets out the issues, policies and aspirations for bus travel in Gloucestershire up to 2031. Issues covered by the policy document include: • Community Transport including voluntary car schemes • Park and Ride (strategic and local) • Public Transport Information • Concessionary Travel and Home to school travel **Do you have any comments on Gloucestershire's Draft Bus Policy Document?**	**Figure E – Pinch Points and Bus Reliability:** Lower High Street Cheltenham is an area being considered in regeneration initiatives by the Lower High Street Action Group – which includes representatives of the West End Partnership, traders, residents, County Council, Borough Council and Cheltenham Development Task Force. One of its main problems is connectivity with the remainder of the town centre. The Borough Council has published a High Street Analysis document and is working with the West End Partnership and local residents and businesses on initiatives to improve economic viability and vitality and environmental sustainability. Recent grant applications have been made and capital funding is available. The creation of a one-way out-bound street, with contra-

flow bus lane seems unlikely to contribute towards achieving the regeneration objectives and is not a solution which has been considered by the working group. It would appear to add to the disconnection from the remainder of the town centre. Suggest that "Potential Mitigation" is deleted and replaced with a statement which commits the County to working with stakeholders to address traffic management, environmental and economic viability issues.

PD1.3 Park and Ride Strategic park and ride has potential on selected routes to have an impact on the levels of traffic entering urban areas. Committing to strategic park and ride sites only when they are commercially viable fails to address the potential benefits and fiscal savings in terms of improved health, reduced congestion etc. The introduction of high frequency routes with cycle parking at stops is welcomed but their integration with "local" park and ride using on-street parking in residential areas seems to be doomed to failure. Its impact on residential amenity and on the character of existing and new build housing schemes seems untenable. PD1.3 needs a complete rethink.

PD1.4 Quality bus network Policy is generally supported but note concerns under Figure E regarding proposals for Lower High Street, Cheltenham pinch-point. Additionally need to consider issues of quality, convenience and comfort at bus stops and interchange facilities as well as on buses. Bus stops and interchanges should accommodate modal-shift and incorporate cycle parking (covered where feasible).

PD1.6 Coach Travel: Quality coach travel is important to the economy of the County's towns. It is dependant not only on the frequency of trips, but also on the quality of arrival/departure points. Cheltenham's current provision for coaches is inadequate for

	one of the County's major tourist destinations; it has both qualitative and quantitative deficiencies. PD1.6 should address interchange provision and there should be a commitment for the County Council to work with the Borough Council and other partners to address the situation. **Countywide Medium Term priorities (2021 to 2026).** Reconsider road-space reallocation proposals for Lower High Street, Cheltenham. Redraft proposal to work with local partners to develop appropriate solutions. Place in Short-term (2015-2021) to meet local work programme and initiatives.
9) PD2 - Cycle The Draft Cycle Policy Document and sets out the issues, policies and aspirations for cycle use in Gloucestershire up to 2031. Issues covered by the policy document include: • Integrating new developments • Safety, Awareness and Confidence • Increasing levels of health and wellbeing **Do you have any comments on Gloucestershire's Draft Cycle Policy Document?**	Cheltenham Borough Council's Walking and Cycling Overview and Scrutiny Task Group recommended that *"The needs of walkers and cyclists should be considered before other road users when making policy and planning decisions"*. This approach is endorsed in the JCS – which identifies a hierarchy of transport modes which prioritises walking and cycling above other transport modes in decisions about development. In Cheltenham's flat and compact urban area and in other urban areas of the County, there are real opportunities to prioritise cycling. The Policy Document on Cycling identifies strong evidence for cycling growth, from a comparatively (for the UK) healthy position in Cheltenham, Gloucester and parts of Tewkesbury. It identifies policies which are broadly supportive of cycling. Nevertheless, it seems to lack the strength of commitment which could see cycling in Gloucestershire's urban areas realise its potential. It identifies the need for new developments to provide for ease of cycle movement, high level schemes are given the prominence they deserve and there is support for cycle promotion. Nevertheless,

	cycling does not establish itself within the LTP as a whole as an important intra-urban mode, which, along with walking, should be the first priority in many urban highway schemes. One example is PD2.5 which encourages developers to include formal and informal play and indicates that streets should be where children feel safe to play, walk and cycle. This is laudable and a valuable policy approach. However, it should apply not only to new streets, but also to existing adopted streets. Experience suggests that the County's procedures do not encourage play on existing streets and that such considerations are not an integral consideration in the design of highway capital or maintenance schemes.
10) PD3 - Freight The Draft Freight Policy Document and sets out the issues, policies and aspirations for Freight travel in Gloucestershire up to 2031. Issues covered by the policy document include: • Gloucestershire's freight network • Driver facilities • Rail and water freight **Do you have any comments on Gloucestershire's Draft Freight Policy Document?**	Document supported.
11) PD4 - Highways The Draft Highway Policy Document sets out the issues, policies and aspirations for the highway network in Gloucestershire up to 2031. Issues covered by the policy document include: • Network resilience • Road safety	**Road Safety** **PD 4.6 Road Safety –**The road safety section should identify the road safety benefits of a lower speed environment and introduce mention of 20mph zones – discussed elsewhere in the LTP. Additionally PD4.6 should consider the beneficial impact of

- Asset Management
- Enabling development
- Car Parking
- Environment
- Bus Lanes

Do you have any comments on Gloucestershire's Draft Highway Policy Document?

increasing active travel modes (notable walking and cycling) on road safety.

<u>**Walking**</u>

Pedestrian movement, as noted in 10.1.1 is a universal transport mode; it is an important mode in Cheltenham, where 18% of those in employment travel to work on foot. The CBC Walking and Cycling Overview and Scrutiny Task Group identified that walking is underrepresented in policy considerations. Whilst the inclusion of a specific section on Walking in the Highway Policy Document is welcomed, as the second largest single travel to work mode in Cheltenham, Walking deserves separate consideration through its own policy document.

The Council encourages the removal of as many pavement railings as possible, to encourage the free movement of pedestrians across the town. Pedestrians should be enabled to cross in places they find convenient, rather than being considered as a secondary thought after the convenience of motorists. As part of this, we must seek to discourage pavement parking, which discourages walking and is particularly discriminatory to those who use wheelchairs or have other mobility problems, as well as parents with prams.

10 Pedestrians There is strong evidence that pleasant and convivial streets with a sense of place encourage walking (as well as cycling). This section and PD 4.8 on Pedestrians should recognise this and ensure that policy encourages highway design which creates convivial streets and spaces to encourage walking. To succeed, this approach to street design needs to apply to GCC highway capital and maintenance works as well as development proposals. Similarly, the

	final bullet of PD 4.8 implies that children's safety in play, walking and safety is solely a matter for development proposals; it is also a consideration in GCC highway capital and maintenance schemes.
	The Cheltenham Transport Plan (CTP) is a key element in promoting walking in Cheltenham. It is part of the Cheltenham Development Task Force project and has its origins in the Cheltenham Civic Pride Urban Design Framework, which identifies the inner ring road as a source of "…conflict between vehicles and pedestrian/cycle traffic". The CTP needs to address points of pedestrian (and cycle) vehicle conflict particularly on the inner ring road, and consider how convivial street design can assist.
	It is noticeable that 10.3.2 includes no scheme for Cheltenham; it should identify Cheltenham Transport Plan as one of the priorities for supporting pedestrians in Gloucestershire
	PD 4.9 Environment: Should identify active travel (walking and cycling in particular) as modes which benefit the environment and have the ability to reduce negative environmental impacts generated by other modes.
12) PD5 - Rail The Draft Rail Policy Document sets out the issues, policies and aspirations for rail in Gloucestershire up to 2031. Issues covered by the policy document include: • Rail Infrastructure Improvements • Rail Service Capacity Improvements • Rail Station Improvements **Do you have any comments on Gloucestershire's Draft Rail Policy**	Document supported.

Document?	
13) PD6 - Thinktravel The Draft Thinktravel Policy Document sets out the issues, policies and aspirations for the travel promotion programme in Gloucestershire up to 2031. Under the headings of: • 'Thinktravel' travel promotion • Managing car use from new developments **Do you have any comments on Gloucestershire's Draft ThinkTravel Policy Document?**	Document supported

This page is intentionally left blank