

## 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 3 councils 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

	<p>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</p>
Other	<p><b>General</b>  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</p>
Customers, residents and businesses	<p>Signposting, providing advice and delivering services via telephone, face-to-face, automated phone message.</p>
Elected members	<p>Signposting, providing advice and delivering services via telephone, face-to-face, automated phone message. Investigating reported issues and providing feedback/information.</p>

## Key stakeholders – Revenues Service

Stakeholder	Description of interaction with service
Benefits Service	<p>Council tax support on council tax records. Council tax records are amended to reflect all changes &amp; revised bills issued. Exchange of information affecting both council tax &amp; council tax support records  Shared integrated revenues &amp; benefits system</p>
Customer service /telephony/post room	<p>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</p>

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

## 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

- 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:

- 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 council's 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:

	<b>In house – ‘as is’</b>	<b>2020 Vision sharing</b>	<b>Other sharing</b>
<b>Description of option</b>	<b>Keep service in house</b>	<b>Share with councils as part of the 2020 Vision programme</b>	<b>Sharing with other councils</b>
Savings/value for money	<p>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.</p> <p>No opportunity to further rationalise and reduce the cost of back office support.</p>	<p>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.</p> <p>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.</p> <p>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</p>	<p>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.</p> <p>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.</p> <p>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.</p>



	<p>No opportunity to share and reduce operating costs e.g. investment in systems/technology supporting the service e.g. telephony, switchboard,</p> <p>No opportunity to make savings though shared purchasing e.g. system licences.</p>	<p>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.</p> <p>Maximises opportunity to share and reduce operating costs e.g. Licences for systems/technology supporting the service e.g. telephony, switchboard.</p> <p>Maximises opportunity to make savings though shared purchasing e.g. system licences.</p>	<p>Some opportunity to share and reduce costs e.g. investment in systems/technology supporting the service e.g. telephony, switchboard.</p> <p>Some opportunity to make savings though shared purchasing e.g. system licences.</p>
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	<p>There is no guarantee that the existing scope and service standards can be maintained in the context of reduced funding.</p> <p>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.</p>	<p>There is an aspiration to ensure that the existing scope and service standards are, at least, maintained despite reduced funding.</p> <p>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.</p>	<p>There is some scope for maintaining existing scope and service standards are maintained despite reduced funding but this have not been explored.</p> <p>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.</p>

	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	Little scope for staff progression/ development and improved remuneration.	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.  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.	Co-working will encourage and foster creativity across the partners.  Some joint working exists but less developed.  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.

	<p>and local knowledge not impacted.</p> <p>Individually, less ability to influence others e.g. government on policy, ICT providers for development or other public bodies on regional objectives.</p>	<p>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.</p>	
Ability to deliver change	<p>No capacity to deliver significant programme of investment and service improvement.</p> <p>Any service development competes for ICT support and resource for which there is no additional funding.</p>	<p>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.</p> <p>Key ICT support is available through the programme to support individual service development for service areas where all four partner councils are sharing.</p>	<p>No capacity to deliver significant programme of investment and service improvement.</p> <p>For development activity requiring ICT support outside the 2020 Vision programme, access to ICT may be more challenging.</p>
Business complexity	<p>Not complex</p>	<p>Already sharing key back office services and are aligning policies e.g. contracts rules, procurement, cash collection and banking.</p> <p>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.</p>	<p>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.</p> <p>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.</p>
Overall risk to delivery of outcomes.	<b>RED</b>	<b>GREEN</b>	<b>AMBER</b>

## 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.