

## 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.

<b>Stakeholder</b>	<b>Description of interaction with service</b>
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.

	<p>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.</p>
Democratic Services including Civic functions	<p>Meeting room layout requirements.  Out of hours requirements for Civic functions.  Flag flying requirements.</p>
ICT services	<p>Systems support and shared systems admin for the Civica cash receipting system.</p>
GOSS	<p>Day to day HR and finance matters.  Payment and banking related matters.</p>
DWP	<p>Facilitation of access to the PSN to allow employees access to CIS and Tell Us Once information.</p>
Lloyds Cardnet	<p>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.</p>
Miscellaneous external bodies	<p>Committee room bookings and events.</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>

## **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?**

- 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.



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.

Today's 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.

- 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:

	<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 four 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 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.</p> <p>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.</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</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 four councils in 2020 Vision.</p> <p>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.</p> <p>Other councils do not use existing back office services e.g. GOSS and ICT, therefore these support functions would</p>

	<p>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.</p> <p>No opportunity to make savings though shared purchasing e.g. system licences.</p>	<p>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.</p> <p>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.</p> <p>Maximises opportunity to make savings though shared purchasing e.g. system licences.</p>	<p>need to be replicated at a cost.</p> <p>Some opportunity to share and reduce costs e.g. investment in systems/technology supporting the service e.g. telephony, switchboard, CRM, cash receipting system.</p> <p>Maximises 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 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</p>	<p>There is an aspiration to ensure that the existing scope and service standards are maintained despite reduced funding.</p> <p>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</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>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.</p>

	<p>the MTFS and require service cuts elsewhere to fund.</p> <p>No opportunity to share best practice.</p>	<p>investment in business systems.</p> <p>Any investment above the TCA funding is shared amongst 4 partner councils.</p> <p>Co-working will enable best practice to be identified and shared.</p> <p>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.</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> <p>Co-working will enable best practice to be identified and shared but from a smaller pool of knowledge.</p> <p>No analysis of service functions in scope has been undertaken.</p>
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.	<p>Investment in new technology will provide opportunities for customer service to be delivered in different ways to meet customers' varying requirements.</p> <p>Co-working will encourage and foster creativity across the partners</p> <p>There are some well-developed relationships</p>	<p>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.</p> <p>Co-working will encourage and foster creativity across the partners.</p> <p>Some joint working exists but less</p>

	Little scope for staff progression/ development and increased remuneration.	<p>across the partnership which has resulted in some significant achievements e.g. stabilization of ICT infrastructure, which can be built on.</p> <p>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.</p>	<p>developed.</p> <p>Some scope for staff progression/ development and remuneration if staff work across sites.</p>
Influence	<p>Separate identify, local decision making, community leadership 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>	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	<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 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.</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>



		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	<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. As neither Gloucester nor Tewkesbury use GOSS and 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	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.