

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Finance and Staffing Portfolio Holder 18 November 2009
AUTHOR/S: Executive Director (Corporate Services)

SHARED SERVICE FOR DELIVERY OF THE REVENUES AND BENEFITS SERVICE

Purpose

1. To consider the introduction of a shared service for the delivery of the Council's Revenues and Benefits services with Uttlesford District Council
2. This is a key decision because it is:
 - (a) likely to result in the Council incurring expenditure which is, or *the making of savings* which are, significant having regard to the Council's budget for the service or function to which the decision relates; and
 - (b) of such significance to a locality, the Council or *the services which it provides* that the decision-taker is of the opinion that it should be treated as a key decisionand it was first published in the October 2009 forward plan.

Background

3. The Finance and Staffing Portfolio Holder instructed the Executive Director (Corporate Services) to investigate the potential for developing a shared service model for the delivery of the Revenues and Benefits services with local authority partners.
4. As reported to Cabinet in October, the Executive Director has entered into dialogue with Uttlesford District Council and with the existing partnership between East Cambridgeshire, Forest Heath and Breckland District Councils (ARP) to develop a detailed business case to this end.
5. Following their consideration of that report, Cabinet resolved that a shared service model be explored in more detail for the delivery of revenues and benefits services from October 2010 in partnership with Uttlesford District Council. Cabinet now plans to invite Council in January 2010 to make a final decision on whether to proceed with the initiative and have asked the Finance and Staffing Portfolio Holder to consider the issues arising in more detail in the interim.

Considerations / Options

6. The Executive Summary to the outline business case is attached at **Appendix 1** and sets out the options and considerations. The detailed business case at **Appendix 2** contains both staffing and other commercially sensitive information and therefore has not been made generally available. Members may find it helpful to contact the report author for further clarification to assist in their consideration of this matter.
7. Should the two Councils agree to set up the partnership, significant resources will be required to manage the change process. At the same time, a critical success factor will be to ensure that existing service delivery standards are maintained in both Councils. It is, therefore, anticipated that the Councils will seek to appoint suitably

qualified individuals or companies to deliver the change management process. Due to the level of anticipated cost of such an arrangement the Councils will need to follow an EU compliant tender process. The earliest appointment date following such a route would be April 2010 but to achieve this it will be necessary to start that procurement process as soon as possible. It is, therefore, recommended that the Portfolio Holder approve the immediate commencement of the procurement process although it will be made clear that this is subject to Council's decision in January.

8. The two Councils currently use two different software platforms for the delivery of their revenues and benefits services. To achieve the anticipated synergies of operation it has been assumed that the two councils will use a common platform. To secure best value it is recommended that the two councils procure a new system through an EU compliant tender process. Of course, the current provider to either Council may be successful in that process. Given the same timelines identified above it is, therefore, recommended that the Portfolio Holder approve the immediate commencement of this procurement process although it will be made clear that this is also subject to Council's decision in January.
9. Improvement East, the Regional Improvement and Efficiency Partnership, have set up a "shared services fund" to assist Councils meet the costs of implementing shared services across the region. The Executive Director has had informal discussions with Improvement East and has ascertained that, in principal, this project would meet their criteria for funding. It is, therefore, recommended that the Councils submit a bid to Improvement East to secure that funding opportunity.

Implications

10. Financial	The Medium Term Financial Strategy has assumed a £350,000 reduction in cost from 2011/12 onwards. Implicit within this assumption is that any set up costs will be met from savings arising in 2010/11 together with any grant funding the Councils can secure from Improvement East.
Legal	There are significant corporate governance implications arising from adopting such a service delivery model principal among which are, the creation of a new Joint Committee and a robust Partnership Agreement.
Staffing	There are significant staffing implications arising. Informal consultations and briefings have already taken place; the detailed staffing implications will be considered as firmer proposals are put together.
Risk Management	Combining services in this way elevates the potential for service failure. The adoption of appropriate project management methodology to manage the change and robust performance management to manage the ongoing service delivery will significantly mitigate these risks
Equal Opportunities	None identified

Consultations

11. Staff employed by both Councils and the trade unions (GMB and Unison) have been informally briefed on the proposals to date. More formal consultations will take place as the project progresses.

Effect on Strategic Aims

12.	Commitment to being a listening council, providing first class services accessible to all.
	The shared service model is seen as a key tool to deliver improved services with wider access points.
	Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.
	None identified
	Commitment to making South Cambridgeshire a place in which residents can feel proud to live.
	None identified
	Commitment to assisting provision for local jobs for all.
	The shared service will be hosted within the district and will potentially act as a catalyst for expansion in the future
	Commitment to providing a voice for rural life.
	None identified

Conclusions / Summary

13. The outline business case highlights that there are clear financial and operational advantages to the Council in progressing with a shared service model for the delivery of the Council's Revenues and Benefits Services. A successful implementation will not only secure significant financial savings but also deliver key service improvements and strengthen service resilience.

Recommendations

14. It is recommended:
- (a) That the Outline Business Case be approved as a basis for progressing the shared service project.
 - (b) That the procurement process for a contractor for the change management aspects of the project be commenced as soon as possible.
 - (c) That the procurement process for a supplier for a common software platform be commenced as soon as possible.
 - (d) That a bid be submitted to Improvement East for funding from the Shared Services Fund

Background Papers: The following background papers were used in preparation of this report: None

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