

**11 February 2015**

**Finance & Resources Committee**

**Revenues & Benefits Shared Service Partnership**

*Report of:* Steve Summers

*Wards Affected:* All

*This report is:* Public

**1. Executive Summary**

- 1.1 As outlined in the 'New Ways of Working' business case presented to Members in February 2013 it was agreed that efficiency reviews of Council's services would be considered. As part of this initiative officers have been investigating a number of options for the improvement and delivery of the Revenues & Benefits Service at reduced cost.
- 1.2 It was anticipated that the introduction of Universal Credit would generate savings for the Council and change working structures and practices. However, there have been a number of problems with the implementation of Universal Credit and whilst this is now due to be introduced in Essex from March 2015 on a small scale, there is no definite timescale for full implementation.
- 1.3 The options for the transformation of the Revenue & Benefits service have included exploring internal in house transformation, sharing the service delivery with neighbouring Councils and outsourcing.
- 1.4 Following consideration of the above options officers have recognised that the shared service model could engender both savings and improved service delivery in the short to medium term.

**2. Recommendation(s)**

- 2.1 That delegated authority be given to the Section 151 Officer to sign the Revenues & Benefits Shared Services Partnership Agreement between Brentwood Borough Council and Basildon Borough Council.**
- 2.2 That approval be given for funding to implement this shared service arrangement as set out in 4.12 of the report.**
- 2.3 That a review of the Revenues & Benefits Shared Services Partnership be undertaken by the Audit & Scrutiny Committee 12 months after the agreement comes into effect.**

### **3. Introduction and Background**

- 3.1 As outlined in the 'New Ways of Working' business case presented to Members in February 2013 the Council are faced with ongoing pressures as a result of Government funding cuts. These financial pressures have led to the creation of a funding gap which impacts on all services throughout the Council. The Council, faced with these pressures to cut costs whilst continuing to transform and improve services agreed to undertake service reviews.
- 3.2 When the Government announced the introduction of Universal Credit to replace a range of benefits for the sick and out of work in 2010, it was widely anticipated that the benefits service would reduce in size as Housing Benefit claims would be migrated to Universal Credit and it was with this in mind that potential budget savings of £200,000 were identified within the review of the Revenues & Benefits service.
- 3.3 There have however been a number of problems with the implementation of Universal Credit and whilst this is due to be introduced in Essex from March 2015 on a small scale, there is no definite timescale for full implementation. Therefore in light of this there is a need to review the delivery of the Revenues & Benefits Service.

### **4. Issue, Options and Analysis of Options**

- 4.1 Options for the transformation of the Revenue & Benefits service have included exploring internal in house transformation, sharing the service delivery with neighbouring Councils and outsourcing.
- 4.2 Following consideration of the various options officers have recognised that the shared service option could engender savings and improved service delivery in the short to medium term.
- 4.3 With this in mind officers wrote to all of the Chief Executives within Essex to establish whether there is any interest in having informal discussions around the option of a shared service.
- 4.4 The options ranged from the sharing of the management structure with locally retained policies and procedures to a full shared service arrangement with shared policies, procedures and potentially shared accommodation, ICT etc.

- 4.5 Following meetings with four interested Essex authorities' officers concluded that the Council would be best served by considering a shared service partnership arrangement with Basildon Borough Council.
- 4.6 The sharing arrangement is proposed to be for 3 years with a possible further 2 years and the functions that would be delivered under the sharing arrangement would include the operational management of:
- Housing Benefits
  - Council Tax
  - Business Rates
  - Sundry Debts
  - Systems and Control
- 4.7 The operational scope of the shared arrangement would include the following:
- Conversion to a single hosted Revenues & Benefits IT Platform
  - The creation of a single joint management structure
  - Sharing specialist and support staff
  - Aligning of contracts and joint procurement to the benefit of the shared service
  - Retention of local policies
- 4.8 As such this is Phase1 of the project and there is scope for further improvements in service delivery and efficiencies in Phase 2 of the project.
- 4.9 In order to formalise the nature of the partnership an agreement has been drawn up by officers of both authorities to include the method of governance and dispute resolution agreements, performance measures, and financial matters. Such an arrangement requires one authority to act as a host or lead authority and this will be Basildon Borough Council. However it is important to note that shared officer governance arrangements would be put in place to monitor service delivery and performance.
- 4.10 Subject to the Committee approval it is estimated that full implementation of the Shared Service Partnership would take around 10 months to complete.

- 4.11 This report seeks delegated authority for the Section 151 Officer to sign the Shared Services Partnership agreement on behalf of the Council and approval for the additional funding for 2015/16 as set out in 4.7 of this report.
- 4.12 In order to implement this sharing arrangement there would be a need for an initial investment of £146k in Year 1 with a pay back period of 3 years, with future savings being generated. The initial investment is required to enable the move to a single hosted IT platform. This would be Phase 1 of the project with further possibilities of service improvement and efficiencies to be included in Phase 2.
- 4.13 In addition to the long term financial savings there are also other benefits that will be achieved as follows;
- Channel shift
  - High quality, seamless services, focussed on local communities and service users
  - Increase capacity through shared learning, expertise, skills and problem solving
  - Strong and supportive relationships
  - Provide greater resilience for service delivery
  - Opportunity to address historic recruitment and retention issues

## **5. Reasons for Recommendation**

- 5.1 To enable the Council to deliver effective and efficient Revenues and Benefits Services for the benefit of the Council and its customers.

## **6. Consultation**

- 6.1 No consultation has been undertaken at this stage, other than meetings with all affected members of staff.

## **7. References to Corporate Plan**

- 7.1 Delivering an effective and efficient Revenue & Benefit Services will help meet the Modern Council key priority.

## 8. Implications

### Financial Implications

**Name & Title:** Jo-Anne Ireland, Acting Chief Executive

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- 8.1 This invest to save project needs to have an initial funding in 2015/16 of £146k which is to be repaid within 3 years. Future savings will accrue following this period. These figures have been incorporated within the Medium Term Financial Plan report elsewhere on the agenda.

### Legal Implications

**Name & Title:** Daniel Toohey

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- 8.2 Under s102 of the Local Government Act 1972, and the Localism Act 2011, the Council has powers to collaborate with other Local Authorities in order to share the management of services.

Depending on the structure of the proposed partnering agreement, certain duties may arise under the Public Contract Regulations 2006 for the Council to procure and commission services, and the proposed partnership agreement must take this into account in order to comply with those regulations.

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 8.3 None

9. **Background Papers** (include their location and identify whether any are exempt or protected by copyright)  
Special Policy 12<sup>th</sup> February 2013.

## 10. Appendices to this report

None.

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