

Decision Ref No:

EX.192/09

Subject Matter:

ALLERDALE/COPELAND/CARLISLE REVENUES AND BENEFITS SHARED SERVICE

(With the consent of the Chairman, and in accordance with Rule 15 of the Access to Information Procedure Rules, this item has been included on the Agenda as a key decision, although not in the Forward Plan for decision on 2 October 2009)

Pursuant to Minute EX.172/09, the Director of Corporate Services submitted report CORP.41/09 concerning a shared Revenues and Benefits Service for Carlisle, Allerdale and Copeland Councils. She reminded Members that the Resources Overview and Scrutiny Panel (on 25 August 2009) and the Executive (on 1 September 2009) had considered the Allerdale/Copeland/Carlisle Revenues and Benefits Shared Services Business Case, in addition to which Meritec had provided third party analysis/verification of the Business Case.

The report referred to the following main issues highlighted by Meritec on the Business Case and advised how those would be addressed:

- the ambitious 6-9 months timeframe;
- a contingency may be required to fund additional change management resources in the short-term;
- proof of concept of slim line management located locally but managing across three sites (not tested nationally);
- potential downturn in performance;
- the 'scoring' of the outsourced option;
- how the 'transformed back office' can reconnect with current front office practices of the three Councils;
- that 'joint venture' governance arrangements should be considered;
- to seek demonstrable commitment from key stakeholders to key principles of the Business Case;
- ICT external/internal costs; and
- programme plan to include critical decisions, mission milestones and timescales to mitigate risk.

The Director set out for Members details of the consultation undertaken with staff members throughout the project, highlighting in particular the main concerns raised. The majority of answers to the staffing concerns needed to be dealt with in the next phase of the project, which was to determine the employing authority; work out terms and conditions; and draw up protocols for how staffing arrangements could be dealt with. There were a number of actions, details of which were set out in the design action plan appended to the report. Some changes had already been made to the Business Case to address concerns e.g. Fraud Officer resources had been addressed by increasing the number from 5 to 6.5 in response to staff concerns in that regard.

Unison had staff membership within Revenues and Benefits at the three Councils, and details of the formal consultation with the Union and issues raised in response were provided.

The Director added that the financial summary detailed at 9.6 of the Business Case had been updated to reflect all the changes noted in report CORP.41/09. The financial appraisal had been re-aligned over six years to reflect the extended implementation timetable which now ran to 30 September 2010. She set out for Members the summary

position detailing costs and savings for Carlisle over the six year time period, indicating cumulative savings of £510,000. It should be noted that the split of costs, savings and termination costs was subject to final agreement.

In delivering the shared services savings of £85k per annum (£510,000 over six year financial appraisal), the Council would incur additional capital costs of £40,000 and termination (redundancy) and protection costs of approximately £158,000 giving a payback period of approximately 2.3 years. A supplementary estimate would eventually require to be approved to fund up front costs (to be repaid from ongoing revenue savings).

Referring to the way forward, the Director advised that the Action Plan set out in Appendix 6 was currently being progressed under which it was proposed to recruit the Partnership Manager during November/December 2009 initially to oversee the implementation of the shared service for the period December 2009 to September 2010.

It was further proposed to agree Capita's tender for providing the Revenues and Benefits ICT infrastructure to support the shared service in late October 2009. It should be noted, however, that if the shared service did not happen for any reason the ICT proposals stacked up on their own i.e. they would provide increased business continuity and networking infrastructure within current costs.

In conclusion, the Director informed Members that the report would be available for consideration by the Resources Overview and Scrutiny Panel on 15 October, prior to the Executive on 26 October and onward transmission to the City Council thereafter.

The Finance Portfolio Holder stated that Meritec's observations had been used to inform and, he believed, significantly strengthen the Business Case. The Business Case had been adjusted to address issues such as the original ambitious timeframe. He thanked the Resources Overview and Scrutiny Panel for their consideration of the matter, welcoming their observations and further involvement on 15 October 2009.

The Portfolio Holder reported that he and the Head of Revenues and Benefits had met with colleagues from Allerdale and Copeland Borough Councils and there was a strong commitment to making the shared service work. He believed that the potential existed to develop a very good shared service to enhance and maintain the excellent Revenues and Benefits service operated by the City Council for some time.

In conclusion, the Portfolio Holder wished to place on record his appreciation and thanks to Officers for their hard work and the open manner in which they had approached the development of the Shared Service.

Decision:

1. That the actions progressed/to be progressed in addressing observations made by Meritec, Members, staff and Unions on the draft Business Case be noted. The actions being reflected in the updated Business Case and in the Action Plan set out at Appendix 6 to the Business Case.
2. That the extended timetable for implementing the Shared Service by 1 October 2010, including the appointment of the Partnership Manager during November/December 2009, be noted.
3. That the revised financial appraisal summarised at Section 5.3 of Report CORP.41/09, indicating savings of £510,000 over the six year timeframe of the appraisal,

be noted.

4. That it be noted that eventually a supplementary estimate may be required of up to £158,000 to fund the Council's share of 'one off' termination costs (funded from ongoing revenue savings).

5. That the Executive was supportive of the revised Revenues and Benefits Shared Service proposals to enable the tender from Capita to provide the ICT software and operating systems supporting the Shared Service to be accepted in October 2009.

Key or Non-Key Decision:

Key

Key Decision Ref:

KD.026/09

Portfolio:

Finance

Who made decision:

Executive

Date:

02-Oct-09

Reports and Background Papers considered:

A Report of the Director of Corporate Services (CORP.41/09) - Allerdale/Copeland/Carlisle Revenues and Benefits Shared Service

Reasons for Decision:

The approval of the Business Case will mean that the implementation phase of the development of a shared Revenues and Benefits Service with Allerdale and Copeland Borough Councils can commence resulting in an improved service at a lower cost to all three Councils

Summary of Options rejected:

Alternative delivery options as set out in Report CORP.37/09

Interests declared

None

Date published

06-Oct-09

Urgent decision not subject to call in

No

Consent of Chairman/ Deputy Chairman of Council to Urgency:

Not applicable

Deadline for call-in:

5.00 pm on 13 October 200

Implementation date if not called-in:

14 October 2009

Relevant Overview and Scrutiny Panel: Resources Overview and Scrutiny Panel

Call-in notified to and date notified:

Approved for implementation on:
