Allerdale Borough Council
Carlisle City Council
Copeland Borough Council

**Review of
Revenues and Benefits
Shared Working
Partnership
November 2011**

Confidential

Table of Contents

1 Introduction

1.1 Purpose

This is the final draft version of the review by Meritec Limited of the Revenues and Benefits Shared Working Partnership - comprising Allerdale, Copeland and Carlisle Councils – as at November 2011. It takes account of, in particular, the feedback from the Joint Operational Board on 28 November.

The purpose of the report is to review:

- What the Partnership has achieved

- Where is it now

- Where's it heading

Any query, please contact:

> Haydn Howard
> Meritec Limited
> Meritec House, Acorn Business Park, Skipton, North Yorkshire, BD23 2UE
> Tel: 01756 797766
> Mob: 07795 114318
> E-mail: haydn.howard@meritec.co.uk

1.2   Layout

The layout of this document reflects the simple agreed approach to the review, as represented in the following diagram:

Confidential
© Meritec Limited, 2011
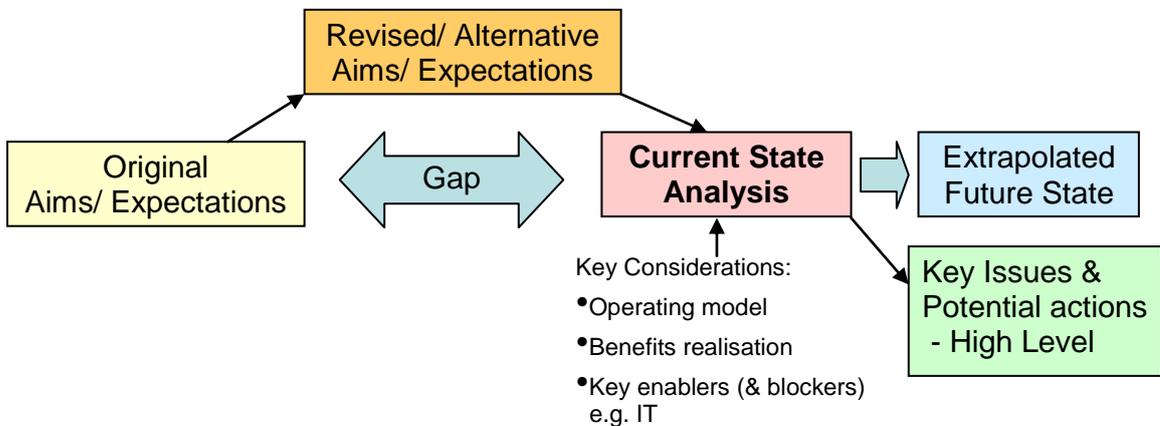
2   Overview

This section provides a headline summary of the report.

Stakeholder Perspectives

The Joint Operational Board confirmed that from their perspective the measure of Partnership success is the Business Case targets in terms of Performance and Costs.

On the costs side, stakeholders would broadly agree that, whilst recognising there are rough edges to sort, the cost dimension is probably manageable. However, the most compelling view, shared (at least) by Allerdale and Copeland, is that performance must improve dramatically… and now.

The Joint Operational Board is of the view that, despite the current shortfall in performance, the Business Case targets (of performance and costs) can be achieved by October 2012, but that the aim should be to achieve these targets by July 2012.

What's Happened

The Partnership was formed with staff transferring in June 2010. The effective Go-Live date was October 2010. On Go-Live, the Partnership delivered 10-15% reduction in base staffing costs straight away.

Moreover the Partnership has attained notable achievements in areas such as: software and systems conversions; successful production of bills and award letters; submission and audit of three Subsidy claims; timely return of all Central Government grant claims and returns; standardisation of statistical information and data quality.

Beyond that, it's been a very rough passage to date. There has been a litany of factors, especially systems related, which have adversely impacted upon the Partnership in its formative stages. The incidence of so many blockers on such a scale has been intense.

Current State

Overall the forecast is that the costs of the Partnership operations for 2011-12 will fall within the Business Case target. In a nutshell, key stakeholders seem to be relatively satisfied with the current state on costs. However there are some significant rough edges which need to be addressed collectively to achieve shared understanding and agreement on how to obtain resolution and set financial matters on a stable base.

There can be no doubt that performance is the root cause of concern by the majority of stakeholders. The simple prime issue is that key stakeholders in Allerdale and Copeland are saying that current performance is unacceptable and that improvement must be immediate. It is not surprising that performance has been adversely affected by the rough passage of the early months of the partnership. What is notable, however, is that there seems to have been a highly substantial drop in performance in the first half of the

current year (11/12). For example, at the end of September (Q2) this year, the days taken to process new claims, for Copeland cases, is almost twice as much as the 09/10 outturn. However, the most recent performance figures have been more encouraging with a notable improvement in performance.

Direction of travel

There now needs to be a clear collective view on how soon substantial improvement in performance can be achieved and the sharing of evidence to support why there can be confidence in that view.

The Joint Operational Board seems to be confident that the Business Case targets are (still) achievable by Oct 2012. To succeed in that, there needs to be singular focus on: improving performance urgently; culture – (re)shaping partnership "hearts and minds"; sustaining required quality; and maintaining high level IT operations.

With most of the major obvious blockers in the past, the way should now be clear for the Partnership to drive forward on improving performance. Indeed, performance figures over the last few weeks indicate a good start in the right direction.

Way Forward

To achieve and sustain success it is recommended that:

- Existing known blockers are removed fast – primarily the pay variation and any remaining IT issues

- Governance and operational arrangements are reviewed proactively and objectively, especially to enable the sense of shared purpose and ownership

- Ongoing review is robust and regular

- Accountability is clearly defined and positively owned

- Host authority role is clarified to avoid the sense of "provider"

- An enabling culture is promoted and fostered

- Management structure is reviewed to ensure effective control and inclusion across all sites

- Performance is prime focus in immediate/ short term

- Costs are set on stable base with all rough edges resolved

- Common IT facilities for shared working across all sites are sustained

3 Stakeholder Perspectives

The prime consideration in any review is what are we measuring success against – what was/ is the expectation of success/ achievement. Key Stakeholders were consulted to obtain views on their specific expectations/ requirements, together with their perspectives of achievements to date and prospects going forward.

Consultation has included:
- Reg Bascombe - Partnership Manager
- Partnership Management Team
- Joint Operational Board
- Peter Mason - Assistant Director (Resources), Carlisle
- Jason Gooding - Chief Executive, Carlisle
- Harry Dyke - Chief Executive, Allerdale
- Paul Shackley - Deputy Chief Executive, Allerdale
- Joanne Wagstaffe - Director of Resources & Transformation, Copeland

The following sub-sections summarise the perspectives of these stakeholders as reported.

3.1 Joint Operational Board

The Joint Operational Board confirmed that from their perspective the measure of success is the Business Case targets in terms of Performance and Costs.

They recognise that performance against targets has been badly impacted by the considerable litany of events over the last 12-18 months – see section 5 below.

However, the Joint Operational Board is of the view that, despite the current shortfall in performance, the Business Case targets (of performance and costs) can be achieved by Oct 12, but that the aim should be to achieve these targets by July 12.

3.2 Key Stakeholders from Partnering Councils

This sub-section details the perspectives of the Partnering Councils, represented chiefly by the respective Chief Executives, the Deputy Chief Executive and Strategic Manager – People, Allerdale, and the Director of Resources & Transformation, Copeland.

Allerdale:

Allerdale representatives emphasised the **four** key objectives of the Business Case:
- Performance
- Better service to customer
- Resilience

Confidential

- Economies – but money was not primarily the issue at the outset (i.e. 3 years ago). It was a factor but not the main driver. But times have changed since, and key players now think it was (the main driver)

Allerdale's perception is that performance was good beforehand (pre-partnership) – but Allerdale wanted better.

The key drivers for Allerdale are undoubtedly performance and better service to the customer - especially in these hard times when "benefits processing" is crucial to the well-being of the local community.

Allerdale's overriding view is that the current performance, especially with regard to the Allerdale related performance results, is simply not acceptable. The key concern is how soon is there going to be betterment, because early resolution is imperative.

Other matters raised, by way of questioning whether current arrangements are sufficiently appropriate and robust, included:
- Governance
- Accountability
- Clarity of role of host authority
- General structure -especially shared working on three sites
- Culture - need for common attitudes and approach
- Does the management structure work effectively?

Current people issues include:
- Staff feel isolated
- Management seems remote
- Sense that others think Allerdale staff "not good enough"
- Feeling of Carlisle takeover

Allerdale's key message is that unless performance improves, and fast, it will be hard to sustain the partnership. Allerdale is facing huge issues around antipoverty and economic growth - and the partnership performance is critical in this context.

What's needed from the Partnership is:
- A clear statement of betterment and prospects for improvement
- Underpinned by a Performance Improvement Plan & (All) Costs Plan

Copeland:

Copeland's prime and serious concern is about performance which is regarded as simply untenable - and their perception is that it seems to be getting worse. Certainly Copeland's "new claims" days have doubled in six months (to end Q2).

On the costs side, Copeland would broadly agree that, whilst recognising there are rough edges to sort, the cost dimension is probably manageable.

Confidential

There is a strong feeling that Copeland is being left to "drift" (in performance terms). Copeland had a bad Benefits Inspection (though this pre-dated the Partnership), but it's felt that matters have got worse since. As a partnership any pain needs to be shared – and it's thought that others are not feeling the pain in the way that Copeland is.

There are issues, or perhaps queries prompted, about the effectiveness of key elements, including:

- Lack of robustness of the "governance" arrangements (meaning the General agreement/ SLA)
- Joint Operational Board needs clear and detailed information on current operations so that members know exactly what's going on, and why, and how to address it
- Generally the Partnership needs to be much more proactive and much less accepting
- The performance team appears to just monitor, but not fix

Carlisle:

Carlisle's chief concern is that it doesn't feel like Shared Working. It feels more like Carlisle being treated only as a "provider" with a feeling of Carlisle versus Allerdale and Copeland. All of this makes it very difficult to maintain collectivism.

The view is that Carlisle is working very hard to make a success of the Partnership through what have been tough times.

It may be that there is scope for redefining/ clarifying roles and responsibilities in terms of governance and management arrangements.

There have been specific blockers which are, hopefully, being overcome, such as the perceived differences in pay levels which, in particular, has caused tensions. Moreover, the shared IT partnership has been crucial to success but there have been key blockers.

Overall, it's all about keeping the faith – the Partnership needs trusted partner(s).

3.3 Summary

The most compelling view, articulated clearly by Allerdale and Copeland, is that performance must improve dramatically… and now.

What's needed from the Partnership is:

- A clear analysis of current performance and gap against targets agreed by all
- An improvement plan (as appropriate) to close the performance gap in a matter of weeks
- A clear overall plan to see how everything comes together.

Confidential

4 The Beginning

4.1 Key targets from BC

The Business Case prepared in August 09 clearly expressed the aims and the benefits of the Shared Working Partnership in terms of:

- Performance – specific outputs were forecast
- Costs – specific reductions were forecast
- Resilience – reduced risk through sharing resources
- Customer Service - improved customer experience

The Business Case also recommended governance arrangements, management structure and the operational model for the Partnership and the required timeframes. In addition, the IT arrangements/ requirements were specified since these were critical to success on the given timescales.

4.2 Meritec Comment

Meritec was engaged to validate the Business Case in August 2009. This was a one-off exercise with no subsequent engagement/ interaction.

The main messages emerging were (the following passages are actual extracts from the validation report):

- Meritec didn't believe that the business plan as presented, for the selected Option 4, can be delivered at the proposed pace, primarily because:
  - There is too much change going on in too narrow a timeframe. The business case indicates that the following can be implemented successfully within a period of 6-9 months whilst returning substantial savings:
    - Fundamental reform of management
    - Parallel change in core business applications, document management systems and IT infrastructure
  - There are too many uncertainties:
    - Some of the financial estimates need further clarification
    - A number of the key components would benefit from further review
- Evidence indicates that rapid change means planned performance targets are harder to achieve, as well as impacting upon business continuity. It is likely that resources, additional to what is currently evident in the business case, will be required to sustain the required change (per the business case). Such resources are likely to involve interim management and backfill capacity.
- The proposed model for delivery of the ongoing individual council services together with the shared working service is novel. The basis of the model is:
  - Slim-line management tier located locally but managing across three sites
  - Limited opportunity for staff to "come together" to develop the new culture and adopt best practice

Confidential

- Considerable change elements to process and systems with limited identified resource.

- There does not appear to be any particular proof of concept - in other words the approach does not appear to have been implemented with notable success elsewhere. Nor does it is seem to be a specific model promoted as good practice in this particular service area. Rather it seems to be a pragmatic approach based upon the particular circumstances applying between the partnering authorities. There needs to be more evidence that such a model can work in practice.

  Within the proposed model, outlined above, there are three key managers, under the Partnership Manager, and each of them is responsible for management of:

  1. The local ongoing revenues and benefits (whole) service for the council within which they are "resident".

  2. The ongoing service across all three partnering authorities for the particular function for which they are responsible. Each of the three managers has a specific service responsibility - being revenues, benefits and performance respectively.

  3. The development of the shared working service for their particular function (being the function as defined in 2 above).

  These roles are particularly demanding and will stretch the managers considerably. Any one of the roles (i.e. numbered 1 to 3 above) would be a significant job in its own right. However the aggregation of all three in one begs the question as to whether the overall role is feasible.

  As no proof of concept is readily identifiable, more work should be undertaken by the partners to establish the feasibility of this approach. One example of such work might be to compile a detailed matrix of tasks and responsibilities comparing current duties with likely duties under the new structure.

- The targets for the performance level of the shared working service seem aspirational - they are stretching targets at the high end of the performance scale. Evidence, unfortunately often anecdotal, from other developments involving change would indicate that change, of the scale and at the pace contemplated here, would have potentially a significant impact on performance, at least in the transitional stage. The impact would be, typically, to worsen, rather than improve, performance. However, such potential performance dips can be offset by injecting sufficient transitional resources.

- Meritec suggested a potential (alternative) way forward, taking account of the matters raised above.

- Meritec prepared a separate report on the IT plans and highlighted concerns about:

  o certain costings

  o the planned pace of change of conversions

  o the approach to conversion, especially Allerdale

  o the lack of proof regarding shared desktop and Linux

Meritec proposed a revised approach to IT arrangements.

5   What's happened

5.1 Start-up

The Partnership was formed with Staff transfer in June 2010. The effective go live date was October 2010.

5.2 Outcomes

On Go Live, the Partnership:

- Delivered **10-15%** reduction in base staffing costs straight away - i.e.   the continuation budget was reduced by that proportion

- Implemented the new structure – though not all posts were filled.

Moreover the Partnership has attained notable achievements in areas such as:

- Software conversion, from Pericles to Capita, for Allerdale – with no disruption to Housing Benefit payments
- Document Management systems conversion from Anite to Civica for Carlisle and Copeland
- Successful production of bills and award letters for Main Billing/Annual uprating for all three Local Authorities
- Submission and audit of 3 Subsidy claims (including split-year NNDR 3 and Benefits subsidy claims for Allerdale)
- All Central Government grant claims, statistical returns and statistical data requests submitted to deadlines
- Standardisation of data submissions, statistical information and data quality.

Beyond that, it's been a very rough passage to date.

There has been a litany of factors which have adversely impacted upon the Partnership. Key ones include.

- The considerable change at management levels. In little more than a year there has been significant movement in key players

- It is inevitable that attitudes will have changed with the emergence of new players

- At the operational level there have been several major events which have seriously impeded progress, such as:

  o The Allerdale Capita conversion - this proved to be a very time-consuming and painful exercise which sapped a lot of resources very early in the life of the partnership

Confidential

- The Copeland/ Carlisle conversion to the Civica document management system. Again this was a very protracted process worsened by deliveries of wrong equipment and unreliable hardware

- Academy/ Civica familiarisation - the time taken for staff to become familiar with and effective in the new system was inevitably lengthy

- Specifically on IT, there have been a number of impediments, but especially:

  - The lack of availability of the shared desktop facility. This was regarded as a crucial enabler to shared working, but it is only now (November 11) going live, and it will take some time to "bed-in"

  - The inability of the Copeland server to support main billing/annual uprating. This problem was identified only three weeks before the start of billing (2011) and the only viable solution was to transfer the system to the Carlisle server. Though the billing process was completed successfully, the incident significantly disrupted operations.

  - The failure of the Copeland document management (Anite system) server in mid July before the completion of the data conversion to the new (Civica) system. The data export, heavily dependent upon support from supplier experts, was not finalised until late October. This trapped several hundred documents in the system that were not released for assessment until October, thereby impacting heavily on the Copeland backlog.

- Pay Variation - there has been a continuous debilitating factor in the variation in pay between Allerdale/ Copeland and Carlisle staff. This issue has dragged on for months and must have a morale sapping effect.

Any one of these above blockers would challenge the progress of the Partnership. The incidence of so many and of such significance has been remarkable and extremely daunting.

6 Where are we now

The key issue is what are we measuring success against?

Everyone is very clear that the prime measures are costs and performance. But stakeholders have also stressed the vital importance of better customer experience and resilience.

6.1 Costs

The costs of the Shared Working Partnership can be readily summarised by the following table:

		6 months	6 months	Full	
		Oct-Mar	**Apr-Sep**	**Year**	
		£	**£**	**£**	
Budgets *(for items included in Business Case)*					
	Salaries	(1,581,000)	(1,625,150)	(3,250,300)	
	Software	(238,000)	(85,500)	(171,000)	
	Atlas Project/ Salary Protection			(75,300)	
		(1,819,000)	**(1,710,650)**	**(3,496,600)**	
Actuals					
	Salaries	1,493,000	1,505,715		
	Additional Employee Costs	30,000	0		
	Software	111,000	0		
		1,634,000	**1,505,715**	**3,182,430**	**Forecast Outturn**
	Outturn Variance	**(186,000)**	**(204,935)**	**(314,170)**	
Additional costs *(not included in Business Case)*					
(NB: Budgets should be held at each authority)					
	Forecast Outturn			280,492	
	Overall Variance			**(33,678)**	

Moreover, the savings made by the Shared Service have been greater than forecast in the Business Case. The original costs incurred by each Authority prior to the Shared Service coming into existence were £4.141m. The Business Case assumed spend in 2011/12 on Salaries and ICT Software of £3.66m on the Shared Service. However, actual costs for 2011/12 are expected to be £3.46m, a saving of £679,000. Advance savings were taken by both Carlisle and Allerdale of £64,000, and £119,000 respectively, however, each authority will still make further savings. Carlisle will make £187,000, Copeland £190,000 and Allerdale £119,000 against the budgets they originally had prior to the Shared Service beginning. A detailed analysis comparing costs prior to shared working with the costs of shared working and, thereby, the resulting savings is provided in Appendix A.

Confidential

In a nutshell, key stakeholders seem to be relatively satisfied with the current state on costs. However there are some significant rough edges which need to be addressed collectively to achieve shared understanding and agreement on how to obtain resolution.

Key issues and considerations include:

• Overtime payments

• Travelling and subsistence

• Non staffing costs

• Non-it partnership technology costs

• Adequate provisioning in local budgets to meet share of partnership costs.

It should be a straightforward matter for a working group of financial representatives from each council to give urgent attention to these matters for early resolution and, thereafter, to review finances robustly on a regular basis.

Confidential

6.2 Performance

The performance dimension can be readily summarised by the following table of key indicators:

Brief Description of Indicator	2009/10 Outturn	2010/11 Outturn	2010/11 Q2	2011/12 Q2	2011/12 Target	Business Case 2010/11 Target	Business Case 2011/12 Target
REVENUES							
% of Council Tax collected within year demanded **(BV9)**							
Allerdale	97.38%	97.00%	57.02%	56.50%	97.00%	97.40%	97.50%
Copeland	97.86%	97.99%	58.85%	58.02%	97.99%	98.50%	98.50%
Carlisle	97.57%	97.63%	57.71%	57.63%	97.63%	98.00%	98.25%
% of National Non Domestic Rates (NNDR) collected within year demanded **(BV10)**							
Allerdale	97.94%	95.60%	60.21%	58.01%	95.59%	98.60%	98.70%
Copeland	98.40%	99.14%	60.07%	59.99%	99.14%	99.40%	99.40%
Carlisle	97.90%	98.06%	61.24%	60.62%	98.06%	99.00%	99.15%
BENEFITS							
Average time (days) for processing new claims **(BV78a)**							
Allerdale	21	22.75	22	37.01	22.75	NOT IN BC	NOT IN BC
Copeland	21	29.56	25	39.29	29.56		
Carlisle	23	24.32	24	26.69	24.32		
Average time (days) for processing Changes in Circumstances **(BV78b)**							
Allerdale	7	6.66	8	19.33	6.66	NOT IN BC	NOT IN BC
Copeland	9	6.97	14	18.42	6.97		
Carlisle	8	5.86	11	11.02	5.86		
Time taken to process Housing Benefit/ CTax Benefit new claims and change events **(NI181)**						13	12
Allerdale	9	8.04	11	22.06	8.04		
Copeland	11	9.01	16	22.10	9.01		
Carlisle	11	8.33	14	13.90	8.33		
Accuracy of processing							
Allerdale	94.42%	94.47%	94.00%	91.58%	94.47%	NOT IN BC	NOT IN BC
Copeland	85.80%	86.45%	83.72%	85.57%	86.45%		
Carlisle	91.12%	87.31%	86.48%	86.14%	87.31%		

Source: Quarterly Performance Reports entitled "10-11 Q4" & "11-12 Q2"

Confidential

The current arrangements for monitoring and managing performance are summarised in Appendix B.

There can be no doubt that performance is the root cause of concern by the majority of stakeholders.

It is not surprising that performance has been adversely affected by the rough passage of the early months of the partnership.

What is notable, however, is that there seems to have been a highly substantial drop in performance in the first half of the current year (11/12). Indeed the days taken to process new claims, for Copeland cases, is almost twice as much as the 09/10 outturn.

The simple prime issue is that key stakeholders in Allerdale and Copeland are saying that current performance is unacceptable and that improvement must be immediate.

Confidential

7   Direction of travel

It is vital that latest information is constantly monitored to assess the current direction of travel, most especially in the critical areas of average time (days) for processing new claims (**BV78a)** and average time (days) for processing Changes in Circumstances (**BV78b).** At the end of Q2 the results were as follows (see yellow column), demonstrating at that time, an upward trend (i.e. average time increasing) compared with previous periods.

However by the end of October there had been some improvement in performance for Copeland cases.

BENEFITS	09/10 Outturn	10/11 Q2	10/11 Outturn	11/12 Q2	Oct 11
Average time (days) for processing new claims (**BV78a)**					
Allerdale	21	22	22.75	37.01	37.82
Copeland	21	25	29.56	39.29	33.00
Carlisle	23	24	24.32	26.69	33.03
Average time (days) for processing Changes in Circumstances (**BV78b**)					
Allerdale	7	8	6.66	19.33	22.66
Copeland	9	14	6.97	18.42	16.87
Carlisle	8	11	5.86	11.02	10.76

With regard to the October 11 figures (end column above) it should be noted that figures have fluctuated as the various backlogs have been tackled. In addition, Allerdale changes are distorted due to the correction of several LHA anniversary rent figures which were excluded 12 months ago. Also the effect of the Carlisle backlog can be clearly seen on new claims.

Moreover, performance figures over the last few weeks indicate a continued trend in the right direction.

Looking forward, there now needs to be a clear **collective** view on how soon substantial improvement in performance can be achieved and the sharing of evidence to support why there can be confidence in that view.

The Joint Operational Board seems to be confident that the Business Case targets are (still) achievable by Oct 12. To succeed in that, there needs to be singular focus on:

- Improving Performance urgently
- Culture – (re)shaping partnership "hearts and minds"
- Maintaining required Quality
- Sustaining high level IT operations.

Confidential

The key factors which will enable improvement going forward are:

- Most of the deeply upsetting blockers of the last 12-18 months, related most especially to systems change, are now behind the partnership

- The systems dimension is now on a relatively even keel – although the shared desktop will still take some settling in

- The shared desktop is seen as being highly symbolic and enabling by the Joint Operational Board – it will allow operations to be pursued on a truly shared basis.

However, there needs to be rapid change since:

- The key concern of Allerdale and Copeland is that the current performance is simply not acceptable, and….

- Their key issue is how soon is there going to be betterment, because early resolution is imperative

It is beyond the scope of this report to measure the propensity and ability of the partnership to make these changes quickly.

Confidential

8 Forward Context

The future needs to be viewed and planned in the context of:

- The ongoing tough economic environment which is generating cuts/ savings in local government nationally and locally on substantial scale (and indeed, it's an era of much bigger cuts than were contemplated when shared working began)

- The Government's plans for Universal Credit which, though not fully clear as yet, signal the transfer of control, if not the migration, of Housing Benefits work away from the councils to central government

- Localisation of Council Tax - at present, councils administer the benefit but rates and eligibility are set nationally. The proposed changes would allow them to vary these.

Each of these factors will have a considerable impact on the future progress of the Partnership, and full account needs to be taken of them in forward planning.

Confidential

9 Way forward

Going forward there are some key issues to resolve, including most especially:

- Remaining blockers - especially Pay and any outstanding IT matters
- Identity - achieving real sense of partnership (What/ Who/ How)
- Culture/ Attitudes - Stakeholders/ Staff sharing vision & sense of belonging/ ownership
- Roles/ responsibilities/ accountability - clarity around Governance/ Hosting/ Sharing
- Cost rough edges - "Non-staffing" and IT costs and local budget provisions
- Performance - Improvement

Recommendations for early action

1.	Remove all "pre-existing" blockers fast	Specifically: • Pay Variation • IT anomalies (if any remain following successful implementation of shared desktop and other recent fixes)
2.	Governance	Clear reaffirmation of governance arrangements for Partnership including: • Terms of reference for key bodies • Restatement of the partnership vision/ mission/aims and objectives
3.	Operational arrangements	The Joint Operational Board must direct effectively the operational performance of the Partnership
4.	Ongoing review	Super review group on regular basis
5.	Accountability	Clarify who is accountable for delivery of the partnership results (in the context of agreed governance arrangements)
6.	Clarity of host authority role	• Confirm the role of the "host" Authority - revisit the current agreement(s) and ensure that the role is clear and that any sense of "client/ provider relationship" is more than balanced by the sense of partnership and collective responsibility. To avoid undue effort, perhaps prepare a simple overarching memorandum as an appendage to existing documentation • Note that each council can share key "role(s)"

Confidential

7.	General structure - especially shared working on three sites	Reassess the current arrangements to ensure: • Inclusion (of all) • Effective communication (to all) • No sense of (too) remote management
8.	Culture - embracing it effectively	• Short (early burst, then ongoing) programme to (re) capture "hearts and minds" • Foster sense of collectivism (vis-à-vis separatism) • Enable sense of Partnership identity and belonging
9.	Resilient operations	Scope for Troubleshooter role to help quickly clear any emergent or foreseeable blockers
10.	Performance	• Check performance monitoring/ management arrangements especially to fully engage the Joint Operational Board in restorative actions • Push forward with Performance Improvement Plan perhaps under the auspices of a Performance Core Group (with clear terms of reference)
11.	Costs	Reconstitute the Finance Group as a critical ongoing forum with clear terms of reference to monitor (and "fix") financial issues – initially to address the financial rough edges
12.	IT	Reconsider Copeland to be part of IT Shared Working Partnership and/ or ensure common practice/ standards

Confidential

APPENDIX A: COSTS COMPARISON

Staffing (including other costs)

		2010/11 £000 6 months Oct-Mar	2011/12 £000 Forecast Outturn	2012/13 £000 Forecast Budget
Pre Shared Service (As per Business Case)				
Allerdale		623	1,246	1,246
Copeland		556	1,112	1,112
Carlisle		763	1,525	1,525
Budgets Pre Shared Service		**1,942**	**3,883**	**3,883**
Business Case		**1,804**	**3,495**	**3,495**
Savings per Business Case		**(138)**	**(388)**	**(388)**
Actual/Forecast		**1,523**	**3,291**	**3,407**
Savings to previous costs		**(419)**	**(592)**	**(476)**
Split of Savings (Against Pre Shared Service budgets)				
Allerdale	35%	(146)	(207)	(167)
savings taken prior to S/S beginning		119	119	119
Net cost/(saving)		**(27)**	**(88)**	**(48)**
Copeland	28%	(117)	(166)	(133)
Carlisle	37%	(155)	(219)	(176)
savings taken prior to S/S beginning		64	64	64
Net cost/(saving)		**(91)**	**(155)**	**(112)**

ICT Revenue Costs

		2010/11 £000 6 months Oct-Mar	2011/12 £000 Forecast Outturn	2012/13 £000 Forecast Budget
Pre Shared Service (As per Business Case)				
Allerdale		77	77	77
Copeland		105	105	105
Carlisle		76	76	76
Budgets Pre Shared Service		**258**	**258**	**258**
Business Case		**238**	**171**	**171**
Savings per Business Case		**(20)**	**(87)**	**(87)**
Actuals/Forecast		**111**	**171**	**171**
Savings to previous costs		**(147)**	**(87)**	**(87)**
Split of Savings (Against Pre Shared Service budgets)				
Allerdale	35%	(51)	(30)	(30)
savings taken prior to S/S beginning		0	0	0
Net cost/(saving)		**(51)**	**(30)**	**(30)**
Copeland	28%	(41)	(24)	(24)
Carlisle	37%	(54)	(32)	(32)
savings taken prior to S/S beginning		0	0	0
Net cost/(saving)		**(54)**	**(32)**	**(32)**

Total

		2010/11 £000 6 months Oct-Mar	2011/12 £000 Forecast Outturn	2012/13 £000 Forecast Budget
Pre Shared Service (As per Business Case)				
Allerdale		700	1,323	1,323
Copeland		661	1,217	1,217
Carlisle		839	1,601	1,601
Budgets Pre Shared Service		**2,200**	**4,141**	**4,141**
Business Case		**2,042**	**3,666**	**3,666**
Savings per Business Case		**(158)**	**(475)**	**(475)**
Actuals/Forecast		**1,634**	**3,462**	**3,578**
Savings to previous costs		**(566)**	**(679)**	**(563)**
Split of Savings (Against Pre Shared Service budgets)				
Allerdale	35%	(198)	(238)	(197)
savings taken prior to S/S beginning		119	119	119
Net cost/(saving)		**(79)**	**(119)**	**(78)**
Copeland	28%	(158)	(190)	(158)
Carlisle	37%	(209)	(251)	(208)
savings taken prior to S/S beginning		64	64	64
Net cost/(saving)		**(145)**	**(187)**	**(144)**

Note: "Pre Shared Sertvice" means prior to the beginning of Shared Service working

Confidential

APPENDIX B: PERFORMANCE MONITORING

High Level Summary of Performance Monitoring and Management Arrangements

Overview	The quarterly performance report is produced, as soon as possible, after the quarter end. The report is circulated to the Service Managers and the members of the operational and strategic boards. Service managers circulate to staff as they see fit. Some of the data is entered into Covalent (corporate performance software), as required corporately, by all three councils. Detailed change events, new claims and changes in circumstances data is provided monthly to Benefit Team Leaders or is available on request - compiled weekly. This can demonstrate trend and show impact of changes to working procedures. Detailed CTAX/ NNDR cash collection figures are produced monthly and circulated to directors and key members of staff. A volumetric performance report is compiled and circulated, on a monthly basis, to the members of the Operational Board and Service Managers. Weekly summaries of outstanding mail are sent to the members of the Operational Board, the Service Managers and the Revenues and Benefits Team Leaders. The compilation data is retained in case further analysis is requested. Directors use the information to ensure managers are accountable and provide adequate information behind the headline figures. Weekly processing data is compiled for Benefits Assessors to calculate average office performance and individual performance. Data is retained at process level to refute or justify claims of 'cherry picking' or processing complex work items. Balancing and reconciliation is carried out daily and monthly totals provided to finance staff within all three authorities for balancing to ledger. Subsidy is monitored on a monthly basis and spreadsheets provided to finance staff. A variety of other data is compiled and retained for control totals, variance monitoring and system integrity but is not necessarily circulated unless requested e.g. LA error tracking against penalty thresholds, caseload levels and breakdown, overpayment categories etc.

Feedback to staff	Benefits Team Leaders receive the information by e-mail. Meetings are held monthly with staff at CBC and ABC, and are to be introduced at CCC, for the information to be cascaded. Revenues Team Leaders receive information of their site and at present it is not openly shared with the teams.
Benefits specifics	Accuracy checking is carried out daily and statistics produced monthly (ABC) and quarterly (CBC&CCC). Quality issues are referred back to originator to correct and results of quality checking are tracked and used to inform individual and team training needs.
Council Tax specifics	The volumetric data report shows numbers of documents etc. There are no Council Tax processing stats.
NNDR Specifics	The volumetric data report shows numbers of documents etc. There are no NNDR processing stats.
Staffing related statistics	Personnel compile statistics on sickness absence at Directorate and service level. They should be able to provide turnover and vacancy levels but the information is not routinely tracked.
Customer Services related statistics	None produced at present specifically for Revenues & Benefits. Data can be requested from each Customer Service Team as and when required for the statistics which they maintain.
Overall monitoring	All data is retained, centrally, by the Performance Team on a restricted, shared drive. Folder structures tend to be via topic, financial year then local authority.
Report of shortfalls to Operational Board	Discussion is based on the Quarterly performance report discussions. If concerns arise at other times, data is summarised to show monthly performance and discussed specifically with the relevant Board member.
Acting on shortfalls	The Performance Improvement Plan has been discussed at monthly Operational Board meetings. This is not a formal process but the Board are updated on the actions being taken as part of the discussions.