



BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

WEDNESDAY, 1ST NOVEMBER 2006 AT 6.00PM

COMMITTEE ROOM, THE COUNCIL HOUSE, BROMSGROVE

AGENDA

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MEMBERS: Councillors R. Hollingworth (Executive Leader), Mrs. J. M. L. A. Griffiths (Deputy Executive Leader), Mrs. J. Dyer M.B.E., B. L. Fuller C.B.E., Q.F.S.M., Mrs. M. A. Sherrey J.P., Mrs. C. J. Spencer, Mrs. M. M. T. Taylor and P. J. Whittaker.

1. To receive apologies for absence
2. Declarations of Interest
3. To confirm the Minutes of the Meeting of the Executive Cabinet held on 4th October 2006
4. Matters Arising from the Minutes
5. Public Questions
6. To receive the Minutes of the Scrutiny Steering Board dated 3rd October 2006
7. To receive the Minutes of the Performance Management Board dated 20th October 2006
8. Affordable Housing – Scheme Delivery and Housing Capital Programme

9. North Worcestershire Code of Practice for Adaptations
10. Homelessness Prevention
11. Revenues and Benefits Shared Service Proposal
12. Temporary Street Closure Applications/Events in Bromsgrove High Street
13. Climate Change
14. To consider any other business, details of which have been notified to the Head of Legal and Democratic Services prior to the commencement of the meeting and which the Chairman, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting.
15. To consider, and if considered appropriate, to pass the following resolution to exclude the public from the meeting during the consideration of item(s) of business containing exempt information:-

“RESOLVED: that under Section 100A (4) of the Local Government Act 1972, the Public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act, the relevant paragraph of that part being as set out below:-

<u>Item No.</u>	<u>Paragraphs</u>
16	7

16. Private Sector Leasing Scheme Pilot (not available to the public)

K.DICKS
Acting Chief Executive

The Council House,
 Burcot Lane,
 BROMSGROVE
 Worcs.
 B60 1AA

23rd October 2006

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE EXECUTIVE CABINET

Wednesday, 4th October 2006 at 6.00 p.m.

PRESENT: Councillors R. Hollingworth (Executive Leader), Mrs. J. Dyer M.B.E., Mrs. J. M. L. A. Griffiths, Mrs. M. A. Sherrey, Mrs. C. J. Spencer.

Observers: Councillors Miss D. H. Campbell J.P. G. N. Denaro, N. Psirides J. P. and J.A. Ruck.

76/06 **APOLOGIES**

Apologies for absence were received from Councillors B. L. Fuller C.B.E., Q.F.S.M., Mrs. M.M.T. Taylor and P.J. Whittaker.

77/06 **MINUTES**

The Minutes of the Meeting of the Executive Cabinet held on 6th September 2006 were submitted.

RESOLVED: that the Minutes of the Meeting be approved and confirmed as a correct record.

78/06 **SCRUTINY STEERING BOARD**

The Minutes of the Meeting of the Scrutiny Steering Board held on 5th September 2006 were submitted.

The Chairman of the Scrutiny Steering Board also referred to items which had been discussed by the Board at their Meeting on 3rd October 2006. An issue had arisen in relation to enforcement by the Police of the ban on alcohol in areas which had been designated as "Alcohol Free Zones". Officers were requested to send a letter to all Members of the Council setting out the position and clarifying the powers of the Police and Community Safety Officers.

Following discussion on the current Task Groups, concern was expressed by the Cabinet in relation to the number of Task Groups which were now in existence and that there was a possibility that they may not be focussing on priority issues. It was felt that this may result in a delay in recommendations being made to Cabinet and it was requested that this concern be expressed to the Board .

It was reported that the issue of attendance by Portfolio Holders at the Scrutiny Board meetings had been raised. It was confirmed that relevant Portfolio Holders would attend at the invitation of the Board.

RESOLVED: that the Minutes of the Meeting be noted and that the recommendations be approved.

79/06

PERFORMANCE MANAGEMENT BOARD

The Minutes of the Meeting of the Performance Management Board held on 15th September 2006 were submitted.

The Leader also referred to a number of recommendations from the Meeting of the Board held on 21st August 2006 and reported on the instances where the recommendations or comments had not been accepted. Actions taken in relation to these were as follows:

(a) LPI Transport Services – Percentage of responses to Excess Charge appeals within 3 days. This target had been amended to 100% with a full response to be sent within 10 days as it was felt this was a more satisfactory way of dealing with the appeal process.

(b) BVPI 218 – Removal of Abandoned Vehicles within 24 hours. This target had been maintained at 95% and had not been increased to 100% as recommended by the Board as it was felt this was an unrealistic target.

RESOLVED: that the Minutes of the Meeting held on 15th September 2006 be noted and the recommendations be considered.

80/06

AUDIT BOARD

The Minutes of the Meeting of the Audit Board held on 18th September 2006 were submitted.

RESOLVED: that the Minutes of the Meeting be noted and the recommendations be approved.

81/06

LOCAL DEVELOPMENT FRAMEWORK WORKING PARTY

The Minutes of the Meeting of the Local Development Working Party held on 25th September 2006 were submitted. Councillor Mrs. J. Dyer M.B.E., Portfolio Holder for Planning also reported on the discussions at the recent meeting of the Regional Planning Partnership.

RESOLVED: that the Minutes of the Meeting be noted and the recommendations be approved.

82/06

GAMBLING ACT 2005 – STATEMENT OF PRINCIPLE

The Cabinet considered a report on a proposed Statement of Gambling Principles which the Council had been required to prepare and publish under the Gambling Act 2005. The Policy had been the subject of a wide ranging consultation process and a number of comments and responses had been received, which were largely in support of the

Policy. In the light of the comments received it was not felt to be necessary to amend the Statement of Principles.

RECOMMENDED: that the Council approve the Statement of Gambling Principles.

83/06

CONSULTATION POLICY AND GUIDANCE

Consideration was given to a report on a proposed External Consultation Policy and Guidance for Managers in support of the Policy. The report also updated members on progress made with regard to the contract for the Customer Panel.

During the consideration of this item members expressed the wish that efforts be made where possible to encourage the involvement of young people in consultations and discussions. It was hoped that in future years the Authority would be in a position to participate more fully in initiatives such as Local Democracy Week.

RESOLVED:

- (a) that the External Consultation policy and the Guidance for Managers in support of this policy as set out in Appendices 1 and 2 to the Report be approved;
- (b) that the proposal to hold seven focus groups during the period October to December 2006, five on developing customer standards and two on the budget for 2007/08 be approved;
- (c) that it be noted that the focus groups cannot be fully representative but that every attempt will be made to ensure that the focus groups are representative of the demographics and various communities of the District;
- (d) that the focus groups be held at the Council House.

84/06

MANAGEMENT DEVELOPMENT STRATEGY

Consideration was give to a report on the introduction of a Management Development Strategy which would relate to all managers in the Authority at whatever level. It was intended that the Strategy would ensure that the future training and development of managers would deliver a skilled, knowledgeable and motivated management team which was equipped to drive the Authority through its improvement agenda and towards being an excellent Council.

RESOLVED: that the Management Development Strategy be noted.

85/06

FRONT OF HOUSE PROJECT

Consideration was given to a report which referred to budget issues which had arisen in relation to the alterations to the front of house area at the Council House and which requested that additional costs be met from existing capital receipts.

It was noted that the original budget for the necessary works had been set at £77,000 which was the budget underspend following completion of building works at the Customer Service Centre. That original budget for the front of house works was later effectively reduced by £22,179 as it had subsequently become apparent that the requirement to make retention payments for this amount in respect of the Customer Service Centre project had not been taken into account when the budget was agreed. It was therefore recognised that the true overspend on the front of house project itself was in fact only £1,771.

RECOMMENDED: that subject to the impact on the medium term financial plan being taken into account, the total shortfall of £23,951 be met from existing Capital receipts.

The Meeting closed at 7.35 p.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE SCRUTINY STEERING BOARD

Tuesday, 3rd October 2006 at 6.00 p.m.

PRESENT: Councillors Miss D. H. Campbell J.P. (Chairman), Mrs. J. M. Boswell, Mrs. R. L. Dent, S. R. Peters, N. Psirides J.P., J. A. Ruck and C. J. Tidmarsh.

(NOTE: Councillor Mrs. S. J. Baxter was present at the meeting as an observer.)

46/06 **APOLOGIES**

Apologies for absence were received from Councillors A. J. Dent, Mrs. A. E. Doyle, J. T. Duddy, C. J. K. Wilson.

47/06 **DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

In relation to matters relating to Bromsgrove District Housing Trust, Councillor S. P. Shannon declared a Personal Interest as he was a member of the Bromsgrove District Housing Trust Board. No declarations of whipping arrangements were made.

48/06 **MINUTES**

The Minutes of the Meeting of the Scrutiny Steering Board held on 5th September 2006 were submitted.

With regard to minute number 41/06, it was questioned whether or not the recommendations contained within the Consultants Scrutiny Report were approved as part of the review of Financial Regulations by the Executive Cabinet.

Updates relating to the work being carried out by Task Groups would be reported at the next meeting of the Scrutiny Steering Board.

RESOLVED:

- (i) that the Minutes be approved and confirmed as a correct record; and
- (ii) that the Democratic Services Manager confirm the recommendations contained within the Consultants Scrutiny Report were approved as part of the review of Financial Regulations.

49/06

UPDATE ON HEALTH AND SAFETY ISSUES RELATING TO PLAY AREAS

Members considered the report giving an update on health and safety issues relating to play areas which related to the work carried out by the Culture and Community Task Group.

Questions were asked regarding signs that had been installed in parks which encouraged members of the public to report incidents or faults as well as zero tolerance on drinking signs such as those due to be prepared and erected in the Town Centre and Sanders Park. The Corporate Director (Services) agreed to find out what the monitoring arrangements were in relation to the public reporting incidents and faults using the contact details on the signs which had recently been installed.

There was a brief discussion relating to the results of the annual RoSPA inspection and the positive view held by other organisations regarding play areas within Bromsgrove District.

RESOLVED:

- (i) that the report be noted; and
- (ii) that the Corporate Director (Services) look into the monitoring of telephone calls from the public reporting incidents and faults of park equipment.

50/06

SCRUTINY PROPOSAL REQUEST

A scrutiny proposal request relating to watercourses was submitted by the Chairman of the Board. It was reported that the map showing key watercourses across the District was available and the ownership of those watercourses had been identified.

A brief discussion ensued relating to the issue of watercourses including: problems of flooding caused by obstructed watercourses followed by heavy rainfall; response time for clearing out watercourses once reported; and the need to work in partnership with Worcestershire County Council. The Board was informed that the Sugarbrook watercourse from Stoke Prior to Droitwich would be cleared following the recent flooding and it was believed this work was likely to be carried out by the County Council.

Suggestions on how to improve the situation were made such as: contacting private owners pointing out their responsibility to maintain the part of the watercourse on their land; contacting other agencies such as the British Trust for Conservation Volunteers; and recruiting volunteers, including children from local schools, to assist with clearing out watercourses.

RESOLVED:

- (i) that a task group be established to scrutinise issues relating to watercourses;

- (ii) that Task Group Membership Forms be sent out to all non-Executive Cabinet Members to be completed by any Councillor who wished to become a member of the Task Group; and
- (iii) that the terms of reference of the Watercourses Task Group be compiled for the Board to consider at its next meeting taking into consideration the comments and suggestions made by members at this meeting.

51/06

WORK PROGRAMME

Consideration was given to the work of the Scrutiny Steering Board.

RESOLVED that the following Work Programme be approved -

Subject	Date of Consideration	Other Information
Health Scrutiny Update	Quarterly (March/June/Sept/Dec)	Councillor D. McGrath, as this Council's representative on Worcestershire County Council's Health Overview and Scrutiny Committee, to provide an update report.
Role of Overview	31st October 2006	Report to the Board explaining the role of overview and examples of best practice.
Review of Scrutiny Handbook	31st October 2006	To consider the updated scrutiny handbook.
Affordable Housing	31st October 2006	Presentation by Strategic Housing Manager on progress.
BDHT	31st October 2006	Awaiting Task Group Report – Task Group set up in April 2006. First Meeting: 17th May 2006. (Delayed due to BDHT Management Report.)
Central Networks	5th December 2006	Representatives from Central Networks to attend.
Setting up of Trusts	5th December 2006	Detailed report highlighting all advantages and disadvantages relating to the proposal of setting up of trust(s) to run Council businesses.
Passport to Leisure – Task Group	To be confirmed	Task Group to reconvene as requested by the Executive Cabinet. Date of next Task Group meeting: 27th September 2006.
Car Parking – Task Group	2nd January 2007 / 6th February 2007	Awaiting Task Group Report – Task Group set up in September 2006. First Meeting: 3rd October 2006.
Flytipping – Task Group	6th February 2007	Awaiting Task Group Report – Task Group set up in September 2006. First Meeting: 12th October 2006.

Subject	Date of Consideration	Other Information
Highways Maintenance Scrutiny Task Group / Performance of the HPU	6th March 2007 / 3rd April 2007	Chairman of the County's Overview and Scrutiny Committee to be invited to attend a meeting to provide information to the Board on the work carried out by the Highways Maintenance Scrutiny Task Group once completed.
High Hedges Legislation	3rd April 2007	Report relating to the cost incurred by other local authorities. The service at BDC to be reviewed in April 2007.
Culture and Community Services – Task Group Review	5th June 2007	Task Group to reconvene for a review meeting.
Use of Consultants – Task Group Review	July 2007	Task Group to reconvene for a review meeting.

52/06

ITEMS TO BE CONSIDERED BY EXECUTIVE CABINET

Members considered the Agenda for the Executive Cabinet Meeting which was scheduled to be held on 4th October 2006.

RESOLVED that no comments on any specific item on the Agenda for the next meeting of the Executive Cabinet be put forward by this Board.

The Meeting closed at 7.15 p.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE PERFORMANCE MANAGEMENT BOARD

Friday, 20th October 2006 at 2.00 p.m.

PRESENT: Councillors P.M. McDonald (Chairman), J.A. Ruck (Vice-Chairman), S.J. Baxter, A.N. Blagg, Miss D.H. Campbell J.P., and J.A. Ruck.

OBSERVERS: Councillor Mrs. M.M.T. Taylor was also in attendance.

45/06 **APOLOGIES**

Apologies for absence were received from Councillors Mrs. J.D. Luck and C.B. Lanham (Board Members) and Mrs J. Dyer and Mrs. M.A. Sherrey J.P. (Portfolio Holders/Observers).

46/06 **MINUTES**

The Minutes of the Meeting of the Board held on 15th September 2006 were submitted.

RESOLVED: that, subject to the inclusion of Councillor A.N. Blagg in Minute No. 40/06 (Apologies), the Minutes be approved and confirmed as a correct record.

47/06 **FUTURE MEETINGS**

Prior to the consideration of the main items of business on the agenda, some Members expressed concern that the current timescale for collating and presenting information before the Board was likely, in some instances, to mean that details would be out of date and that it was, therefore, difficult to establish the "true picture". In reply, the Assistant Chief Executive indicated that these statistics were those which had been submitted to the last meeting of the Government Monitoring Board (as had always been the case previously), but, notwithstanding this, Members felt that it would be beneficial if this Board were to examine the details first. It was reported that the Government Monitoring Board had changed their next meeting (November) from the end of the month to an earlier date, and, accordingly, it was proposed by Councillor P.M. McDonald and seconded by Councillor J. A. Ruck and

RESOLVED: that, wherever possible on future occasions, this Board meet on the Friday preceding the Government Monitoring Board.

48/06

IMPROVEMENT PLAN

Consideration was given to the report on the Improvement Plan for August 2006. Members raised a number of issues, and particular reference was made to the following:-

- Modernisation of the Council Brand
- Press Releases used for potential “banana skins”
- PACT Meetings - Questions were asked over whether this Council’s officers were able to devote sufficient time to these meetings under current circumstances. It was noted that the majority of complaints raised at these events concerned either the Police and/or the County Highways Partnership Unit, and members made a plea to officers to assist them in attempting to solicit responses by any means possible to their many unanswered queries, and also to endeavour to promote regular meetings in an attempt to improve dialogue and to resolve a number of highway issues at first hand. Accordingly, the following were proposed by Councillor P.M. McDonald, seconded by Councillor J.A. Ruck, and it was agreed that it be

RECOMMENDED:

- (a) that, with regard to the issue relating to the new letterheads, the Executive Cabinet be requested to issue a directive that no supplies of the new letterheads (when available) should be introduced until all of the old stationery stock has been exhausted;
- (b) that the dates of future PACT meetings be circulated to all Members of the Council for information;
- (c) that details of “The Bromsgrove Way” be circulated electronically to all Members of the Council for information; and
- (d) that, in all other respects, the Report be noted.

49/06

EXCEPTION REPORT

The first “Exception Report”, i.e., a report setting out the progress of those areas of most concern contained within the Improvement Plan for August 2006, was submitted.

RESOLVED: that the Report be noted.

50/06

DATE OF NEXT MEETING

RESOLVED: that the next meeting of the Group be held at 2.00 p.m. on Friday, 24th November 2006.

The Meeting closed at 3.30 p.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

1st NOVEMBER 2006

AFFORDABLE HOUSING – SCHEME DELIVERY AND HOUSING CAPITAL PROGRAMME

Responsible Portfolio Holder	Cllr Peter Whittaker
Responsible Head of Service	David Hammond

1. SUMMARY

- 1.1 The report provides members with and overview of:
- The identified housing needs of the District
 - The work that is being carried out in the South Housing Market Area to improve and keep up to date housing needs information and develop a cross boundary strategy to provide the sub-regional context for the provision of more homes and improved housing conditions.
 - The affordable housing schemes that were delivered during 2005/06
 - The affordable housing schemes that are planned and in the pipeline for delivery during 2006/7 and 2007/8
 - The sources of funding that are available to support affordable housing schemes
 - The bids that have recently been successful in gaining Housing Corporation funding.
 - Bids that are currently submitted with the Housing Corporation for funding.
 - The Council's Affordable Housing Capital Programme - schemes already committed and options for the use of unallocated budgets for the current financial year.
- 1.2 The report provides advance notice of a budgetary requirement to meet the need for ongoing assessment and updating of housing needs.
- 1.3 The report provides members with advance warning of the need to carry out house condition survey work in the future.
- 1.4 The report presents scheme options for members to consider in order to decide upon the use of unallocated affordable housing capital programme budgets.
- 1.5 The report asks members to approve the use of funds ring fenced for low cost housing to be applied to the provision of shared ownership scheme that offer more flexible and affordable options to people striving to enter into home ownership.

2. RECOMMENDATION

- 2.1 That the housing needs of the District summarised in Sect 4.0 of the report be noted.**
- 2.2 That the joint working through the South Housing Market Area Partnership be supported in principle.**
- 2.3 That the additional units of affordable housing delivered during 2005/6 detailed in Section 7 of the report be noted.**
- 2.4 That the affordable housing schemes that are planned and in the pipeline for delivery during 2006/7 and 2007/8 detailed in Sect 8 of the report be noted.**
- 2.5 That the bids approved and submitted to the Housing Corporation to support the development of affordable housing in the District, as detailed in Sections 9 and 10 of the report be noted.**
- 2.6 That the projects recommended under columns (c) and (d) of the table set out in Sect 11 of the report be approved.**
- 2.7 That the additional housing funding available for allocation in 2006/07 programme be noted and the projects recommended under columns (c) and (d) of the table set out in Section 12 of the report be approved for inclusion in the revised capital budget for 2006/7.**
- 2.8 That for the purpose of clarity, it be confirmed that any capital receipts ring fenced from the sale of the Council's Low Cost units can be re-invested in both fixed equity and shared ownership type low cost housing schemes.**
- 2.9 That approval of schemes utilising the remaining un-allocated housing capital budgets be delegated to the Strategic Housing Manager in agreement with the Portfolio Holders for both Finance and for Strategic Housing and that any unallocated funding remaining be carried forward into 2007/8 if appropriate schemes are not forthcoming.**

3. BACKGROUND

- 3.1 In terms of the regional policy context** and the delivery of affordable housing, the key regional strategies are the West Midlands Regional Spatial Strategy (WMRSS) and the West Midlands Regional Housing Strategy (WMRHS).

The WMRSS (June 04) identifies Urban and Rural Renaissance as two of its key policy objectives and identifies the need to address affordable housing and mixed communities.

The WMRHS (June 05) is closely interlinked with the WMRSS as its core aims include:

- Creating mixed, balanced and inclusive communities
- Assisting in the delivery of Urban and Rural Renaissance
- Achieving social and other forms of affordable housing

- 3.2 **Locally**, the The Council's Housing New Strategy (2006 -2011) links into the Regional and National policy agenda by setting out a comprehensive strategy for the Council to focus on its strategic role to meet a broad range of housing objectives. The four key housing priorities that have been identified from extensive consultation are focused on balancing the housing market, meeting housing needs and helping us to contribute to improving the social and economic infrastructure of the District. The four Housing Priorities are:

ADDRESSING THE SHORTAGE OF AFFORDABLE HOUSING - focusing on achieving a well balanced Housing Market and a consistent and appropriate supply of affordable housing to meet urban and rural needs, making best use of planning powers and the resources available

IMPROVING THE QUALITY AND AVAILABILITY OF PRIVATE SECTOR HOUSING – to achieve sustained decent housing conditions, a strong, well managed private rented sector, improved energy efficiency of domestic homes and increased availability and accessibility of privately rented accommodation.

ADDRESSING HOMELESSNESS – Promoting early intervention preventative and support services for the homeless and an improved supply of permanent accommodation to reduce the use of temporary accommodation. Increased access to privately rented housing for the homeless is targeted to help achieve this and to maintain our minimal use of Bed & Breakfast accommodation. The strategy also focuses upon providing an improved standard and type of temporary accommodation where it has to be used, offering dispersed self contained housing.

ASSISTING VULNERABLE GROUPS TO LIVE INDEPENDENTLY – Aimed at enabling people who are vulnerable through age, disability or life experience to live independently, within the community.

- 3.3 Having briefly set out the Regional and Local policy context this report goes on to provide members with a brief overview of the housing needs of the district, the recent development of affordable housing to meet those needs and what schemes are in the pipeline. The report then sets out the various sources of funding that are available to support new schemes and sets out scheme options asks members to decide which schemes they wish the council's unallocated housing capital funds to support.

4.0 The identified housing needs of the District

- 4.1 The Council commissioned a joint Housing Needs Survey and Housing Condition Survey in 2004 through Fordham Research following who carried out the work in accordance with government guidance at the time.
- 4.2 Members will be well aware that in terms of housing need, affordability is a major issue in the District preventing many, especially younger people from accessing open market housing. An additional 418 affordable dwellings per annum, for the next 5 years, are required if all housing needs are to be met. The Regional Spatial Strategy expects the Council to take account of local housing needs over in-migrant needs. There is an identified need to provide

over 120 additional units of affordable housing each year just to keep up with local housing needs.

- 4.3 Special consideration has been given to older person households and special needs households, who are more likely to be living in unsuitable housing, to ensure that their needs are addressed in future plans for the District.
- 4.4 It is identified that approximately a third of the total need for housing could be met by intermediate housing (shared ownership/low cost options); therefore the provision of shared ownership and low cost home ownership could address both housing need and housing aspirations for some households. Homelessness, the most severe form of housing need, forms part of the net affordable housing requirement.
- 4.5 It is recognised that both sub regional and district wide housing needs assessments often fail to fully assess more local rural housing needs. To clearly identify the needs in rural parish areas, more localised surveys are required that are specific to parish/ward settlements. Members will be aware that this has already been carried out in Stoke, Alvechurch, Beoley, Clent and Belbroughton and the data collated is supporting the delivery of small schemes for local people on Green Belt land under Exception Site policy. A series of further rural housing needs surveys covering the remaining rural locations in the district is being agreed with the Rural Housing Enabler who is a valuable resource across the county in undertaking assessments, identifying sites and liaising with parish councils and the local community.
- 4.6 The Housing Condition Survey work indicates that levels of unfitness in the private sector stock are lower than national and regional averages and more dwellings considered to be 'decent' than nationally. Average SAP ratings (measure of energy efficiency) for the District are slightly higher than 2001 national and regional averages.

5.0 Partnership working within the South Housing Market Area

- 5.1 Government and Housing Corporation funding for housing is allocated on a regional basis in accordance with the priorities set in the Regional Housing Strategy. The South Housing Market Area (SHMA) was identified from research undertaken during development of the West Midlands Regional Housing Strategy in 2004. It is one of four strategic housing markets operating across the West Midlands and comprises an area covering the whole of Worcestershire and the districts of Warwick and Stratford upon Avon in Warwickshire.
- 5.2 The South Housing Market Area Partnership was formed during the consultation process for the production of the Regional Housing Strategy. It represents the views of the local authorities, registered social landlords and other partners in housing delivery and policy development across the SHMA.
- 5.3 The Regional Housing Board has set out the role and activities expected of the Market Area Partnerships. They are encouraged to undertake joint local housing strategies and joint housing need and market assessments to inform strategy development across the sub region. To support such delivery and to identify in greater detail the working of more local housing markets a housing

market assessment was commissioned by the SHMAP utilising draft methodology published by the former ODPM. This work is examining both levels of need and demand for housing to provide the sub-regional context for the provision of more homes and improved housing conditions and will be used to determine priorities and to target resources to secure achievement of the aims and objectives of the Regional Housing Strategy. The Council's contribution towards this work has been met from within existing budgets.

- 5.4 As with other regions, the Worcestershire Authorities have in the past carried out individual housing need and stock condition surveys on differing timescales with different companies to different standards and outputs. The traditional approach has been to carry out surveys every 5 years using external contractors.
- 5.5 There exists a duty on local authorities to continue to monitor housing needs and the condition of the private housing stock in their area. Authorities need data to provide statistical returns to regional and central government help inform local strategies and policies and direct funding and service activity.
- 5.6 There is common agreement that in order to properly represent the situation at a local and sub-regional level, the information on housing needs and stock conditions in the authorities must be thorough, robust, compatible and matching in scope to the expectations of GOWM and Audit inspectors.
- 5.7 This report therefore draws member's attention to the importance of keeping housing needs and private Sector stock condition information up to date and to the proposals being developed by the SHMA partnership to move away from 5 yearly surveys by individual authorities towards a more ongoing, possibly annual update of housing needs provided consistently across the whole SHMA.
- 5.8 Whilst stage 1 and 2 of the Housing Market Assessment is nearing completion the cross authority project group overseeing the work recognises that in order to regularly update and sustain the market needs information there is a requirement for a dedicated officer to focus on this area of the work for the whole SHMA in future years. After considering a number of options, the project group is recommending a cost effective secondment from the County Council Research Section that would bring with it specialist research and computer skills and access to wider research and information sources. It is proposed that the cost will be apportioned on an annual basis between Warwickshire and Worcestershire County Councils, the eight District Council's and the 10 participating RSL's.
- 5.9 Members are therefore asked to approve the allowance made within the recommended housing capital programme set out in the table at Section 11 of the report for on going updating of housing needs and stock condition information and any further investigation into the needs of Gypsies and Travellers as now required by DCLG.
- 6.0 **The Sources Of Funding That Are Available To Support Affordable Housing Schemes.**

- 6.1 The provision of sufficient affordable housing to meet housing needs is a key housing challenge, as a significant proportion of the local population cannot afford market priced dwellings.

Whilst the provision of sites for new affordable housing is limited due to protection of the Green Belt, restrictive RSS allocations and the focus on development of brownfield sites, the availability of funding to subsidise the building of new homes is also a major limiting factor.

- 6.2 The development of a unit of affordable housing is financed through a loan that can be secured by the developing RSL against the net rental income that can be generated from the dwelling over a 30 year period. This usually provides between 40% to 50% of the cost of development and land purchase. The balance has to be met from subsidy. So typically, for a development of 14 houses for rent a unit development cost would be in the region of £112,000 of which approximately £68,000 subsidy or grant would be required for each dwelling (60%). The grant requirement for a shared ownership unit is usually half of that required for a rented unit as the RSL sells on average a 50% share in a property.

- 6.3 The key sources of funding to meet the subsidy or grant requirement are as follows:

HOUSING CORPORATION GRANT AND REGIONAL HOUSING ALLOCATIONS

When an RSL has identified a site and has a firm proposal for the development of affordable housing they can submit a bid to the Housing Corporation for development grant to fund a scheme under what is known as the Annual Development Programme. This is government subsidy allocated regionally through the Housing Corporation. There is a 2 yearly bidding round when the majority of bids are submitted, followed up by a monthly opportunity to submit new or revised schemes to the Housing Corporation Investment Clinic through which they re-allocate any slippage in their programme.

Certain RSL's have achieved partnership status with the Housing Corporation which provides more guaranteed levels of funding.

The Regional Allocation Strategy is closely aligned to the implementation of the Regional Housing Strategy and targets amounts of the Single Regional Housing Pot funding to the key priorities such as addressing affordability, homelessness and Decent Homes. The allocation strategy makes it clear that local authorities will need to consider the use of other resources for funding of other areas of activity.

Bids amounting to £7.3m were submitted (and supported by this authority) for Bromsgrove schemes for the 2006/08 period. Only £3.9m of the schemes submitted were approved. However a further bidding round took place in August to which bids amounting to £5.7m have been submitted.

DEVELOPER CONTRIBUTIONS – Supplementary Planning Guidance (now Supplementary Planning Documents under the new planning system) for Affordable Housing prescribe for the percentage of affordable homes that must be provided on private sector development sites above a certain scale.

Thresholds vary between urban and rural areas. However, delivery is difficult and often protracted as developers seek to negotiate lower levels of affordable provision in order to maximise their profit from the site. This is particularly true on brownfield developments where remediation and other abnormal costs can arise. Developers do not always want to supply the type of property preferred by the local housing authority and again this leads to protracted negotiation and delay in delivery.

In Bromsgrove the housing supply targets have already been met necessitating a restriction on new planning approvals. Whilst affordable housing is an exception to the constraint, the position is restricting our ability to benefit from cross-subsidy of affordable housing from private development.

GOVERNMENT HOUSING INITIATIVES – From time to time additional pots of funding are made available by the government to promote new schemes or specific areas of need. This is usually allocated through a scheme bidding process (for example the process being followed in bidding for funding to develop Extra Care Housing) or less frequently in the form of an additional cash allowance as has recently been received from the government (£217k) for use on general capital housing schemes.

DISTRICT COUNCIL CAPITAL RESOURCES - These are Council capital receipts committed to affordable housing and mainly received from Sect 106 commuted sums, the sale of council owned land and repaid discount on former Council houses previously owned by the Council.

As a debt free authority, 75% of capital receipts are subject to 'pooling'. Certain categories of receipt are exempted if re-invested in affordable housing (Capital Allowance Scheme) whilst others come under short term phased 'Transitional Pooling' arrangements.

The Council has a capital programme providing grant for the development of shared and rented accommodation (See Sect 11 of this report).

DISTRICT COUNCIL CAPITAL RECEIPTS FROM BROMSGROVE COUNCIL'S OWN LOW COST HOUSING SCHEME - During the 1990's, the Council, working in partnership with Lovell Homes, provided 288 Low Cost Houses on a fixed equity basis, available to assist first time buyers into the housing market at 70% of market value. Whilst many owners have exercised their right to achieve full ownership the scheme remains a valuable resource to the district in meeting housing needs. Capital receipts received from occupiers purchasing full ownership in this Council run Fixed Equity Low Cost Scheme are ring fenced within the Housing Capital Programme for re-investment in Low Cost housing.

The decision to ring fence this income for re-investment was approved by the Executive Cabinet 19th November 2003 following a recommendation from the Housing & Planning Scrutiny Committee on October 2003. Continuing inflation in the property market has making the Council's Low Cost Housing scheme (held at 70% of market value) less affordable to many housing applicants who are more able to access the property market through shared ownership schemes (where they can purchase as low as 25% equity and pay

a subsidised rent on the balance) as shared ownership schemes offer greater flexibility to 'staircase' to higher levels of ownership as the occupiers financial circumstances improve. This report therefore includes a recommendation that for the purposes of clarity, it be confirmed that any capital receipts ring fenced from the sale of the Council's Low Cost units can be re-invested in both fixed equity and shared ownership type low cost housing schemes.

7.0 Affordable Housing that was delivered in Bromsgrove District during 2005/06

RSL	R- Rent SO- Shared Owner LC – Low Cost	SCHEME	No OF UNITS	COMPLETI ON DATE	FUNDING £
BDHT	R	Buy Backs (Homelessness)	1x2BF 1x 2BF 1x 3 bed Mais	15.04.05 15.04.05 May 04	Local Authority Grant £120,000
Bromford	R	Saffron House	7 Flats	June 05	Hsg Corp Grant funded
Spa Housing	R	Monument Drive Hagley (Unilateral undertaking) – Rent	6 x 2 bed flats	July 06	100% RSL /developer funded
Spa Housing	SO	Monument Drive Hagley (Unilateral undertaking) – shared ownership	5 x 2 bed flats	July 05	100% RSL / developer Funded
Bromford	R	All Saints Flats	8 X 2 Bed flats	May 05	Sect 106 developer on site provision & (£160,000 LASHG)
Bromford	R	All Saints	2 x 2 bed hse 4 x 2 bed flats?	May 05	Sect 106 developer on site provision
NEXUS	SO	Breme Park	11 x 2BF	April 05	Local authority Grant £482,284
NEXUS	LC	Breme Park	9 x 2BF	April 05	
NEXUS	R	New Road	9 x 2 & 3 bed hse	Autumn 05	Hsg Corp Grant & disc LA Land.)
Festival Hsg Group	LC	Home Buy – DIY Low Cost	7 self identified dwellings	Throughout year	Hsg Corp grant funded
BDHT	R	Buy Backs (Homelessness)	2 Flats & 1 maisonette (Matched)	Jan 06	Local Authority Grant

BDHT	R	4 th Buy Back	1 House (to be matched)	March 06	£210,000
Rooftop Hsg Group	R	Churchstone Close, Bromsgrove (Learning Disabilities)	1 (4 clients)	4.4.05	Local authority Grant £25,000
Total			75		

8.0 The affordable housing schemes that are planned and in the pipeline for delivery during 2006/7 and 2007/8

RSL	R- Rent SO- Shared Owner LC – Low Cost	SCHEME	No OF UNITS	COMPLETION DATE Black = completed Red = Proposed	LA FUNDING GRANTED or HOUSING CORP ONLY £
Festival	SO	Breme Park Buy Backs Phase II	37	Autumn 06	RSL Funded
BDHT	R	Gateway Scheme	5	2007	RSL Funded with Free land from Local Authority
EPHA	R	Ryfield Road Garage Site	5x 3B (5 pers)Hse	2007 PP Granted	Local Authority Grant £95,000 + bid to Hsg Corp
Bromford	R	York Rd (Under Construcion)	2 x 3 bed (5 pers)hse 1 x 2 bed (4 pers) hse	Under Const'n November 06	RSL Recycled Capital Grant +Local Authority Grant
Bromford	R	Hollywood Lane (Under Construction)	2 x 3 bed (5 pers) hse	Under Const'n November 06	Grant £160,000
EPHA	R	Foxwalks Av	2x 3bed (5pers) Hse	Autumn 06 PP Granted	Housing Corp Grant & Local Authority Grant £92,000
EPHA	R	Grafton Cresc	3x 3bed (5 pers) Hse	2006 PP Granted Under Construction	Housing Corp Grant & Local Authority Grant £88,000

Bromford	R	Broad St Development	15 x 2 b flats	Still under negotiation PP Granted	Bid into Housing Corp (granted)
Servite	R	Villiers Rd	8x 3/4bed hse & 4 flats	Under Const'n Completion Oct/Nov 2006	Housing Corp Grant +Local Authority Grant of £600,000
West Mercia	R, SO, LC	Belbroughton	15 Houses 6 Rented, 2 S/O 7 LC	On site Completion 2007	Housing Corp Grant
West Mercia /BDHT	LC, R	Eachway Garage Site / Maple Rd	8 units (6x2bH, 2x3bH 6 New Build Homebuy 2 Rented	2007	Housing Corp Grant
West Mercia /BDHT	R	Leach Heath Lane	1x 2B Bung, 5x 3BH	2007	Housing Corp Grant
Bromford	SO & R	Barrington Road	Rented – 4x2b3pflats S/O – 4x2b3pflats - 1x3b5pH	PP granted	Local Authority Grant £157,000 = RSL Recycled Cap Grant
West Mercia /BDHT	R	Morris Walk	4 x 2 Bed Bung	2007	Housing Corp Grant
West Mercia /BDHT	R	Gilbert Road	4x2Bed Bung	2007	Housing Corp Grant
West Mercia /BDHT	R	Lyttleton Avenue	4x3bed houses	2007	Housing Corp Grant
Fesival	LC	Homebuy	10	2006/7	Hsg Corp Grant
West Mercia /BDHT	R / SO	Gilbert Court Extra Care Scheme	27	Bid submitted to Hsg Corp and DOH	Local authority Grant £1,000,000 + Bid in to Housing Corp (granted)
BDHT	R	Flavel Road 9 x 2bed and 8 1 bed flats	17	2008	
West Mercia /BDHT	R / SO	Oak Road Phase 2 (Accorn Rd)	22	Subject to PP 2008	Housing Corp Grant
West Mercia /BDHT	R / SO	Former Redgrove School Stoke Prior	18	Subject to PP 2008	Bid in to Housing Corp (Granted)
West Mercia	R/SO	Cient Rural Scheme	11	2008	

Bromford	R/SO	Alvechurch / Beoley Rural Schemes	To be decided	2008	
Potential Total			255		

9.0 The Bromsgrove bids that have been successful in gaining Housing Corporation funding under the 2006 / 08 Programme (1st round).

RSL	R- Rent SO- Shared Owner LC – Low Cost	SCHEME	No OF UNITS	PROPOSED COMPLETION DATE	HOUSING CORP FUNDING APPROVED £
EPHA	R	Foxwalks Av & Grafton Cr Garage Sites	8	2007	498,000
Bromford	R & SO	Acorn Road Phase II	26	2008	1,260,384
Servite	R	Villiers Road	12	2006	269,214
West Mercia	R/SO	Belbroughton Rural Scheme	8	2007	442,500
West Mercia / BDHT	R&SO	Leach Heath Lane and Eachway/Maple Rd Scheme	16	2007/8	707,600
West Mercia / BDHT	R	Charford Sites	12	2007	719,400
TOTAL			82		3,897,098

10.0 The Bromsgrove bids that have been submitted to the Housing Corporation for funding under the 2006 08 Programme (2nd round).

10.1 The bids set out in the table below were submitted to the Housing Corporation in August for funding under the 2nd bidding round.

RSL	R- Rent SO- Shared Owner LC – Low Cost	SCHEME	No OF UNITS	PROPOSED COMPLETION DATE	HOUSING CORP FUNDING APPLIED FOR £
West Mercia / BDHT	R / SO	Gilbert Court Extra Care Re-modelling Scheme Charford	27 (new)	2008	2,100,000
West Mercia / BDHT	R / SO	Former Redgrove School – Stoke Prior	18	2007/8	792,000
West Mercia / BDHT	R / SO	Broad Street, Sidemoor	20	2008	795,000

Spa Housing	R / SO	School Drive, Bromsgrove	28	2007/8	1,710,000
EPHA	R	Ryfields Road	5	2007	294,181
TOTAL			98		5,691,181

10.2 We have recently been advised that subject to some conditions, the Gilbert Court, Redgrove School and Broad Street Schemes have been approved and the School Drive scheme has been deferred for further information. The Ryfield Road Scheme has been refused for Housing Corp funding, however development will still commence as Rooftop Housing (EPHA) have agreed to fund from their own resources.

11.0 The Council's Affordable Housing Capital Programme 2006/07 – Approved New Schemes

11.1 The Council's approved capital programme for the current financial year contains a number of new schemes for the provision of affordable housing. These schemes (set out in the following table) are general in nature and require further consideration of members in deciding the individual projects that are to be supported under each budget heading.

11.2 I have set out in columns (a) and (b), the general description of the approved schemes and the budget that is approved for allocation this financial year.

11.3 In columns (c) and (d) I have set out details of projects that are recommended for approval against the budgets.

11.4 Members will note that the projects recommended for approval do not fully allocate the budgets available. We have been awaiting the outcome of the second round bids submitted to the Housing Corporation for grant funding on five affordable housing schemes. It has therefore been considered prudent to defer a decision on allocating the remainder of the funding until the outcome of these bids were known as Council grant may then be applied to either partially enable any schemes that fail to gain Housing Corporation grant or to increase the proportion of rented units in mixed tenure schemes that do get approved.

11.5 It is also important to recognise that the budget that will be available next year (apart from the £1,000,000 approved for Extra Care housing) for spending on affordable housing schemes is likely to be significantly less than that available in the current financial year. It may therefore be prudent for members to consider that a degree of slippage into 2007/08 would not be unreasonable in the interests of ensuring that best value is achieved from our limited capital resources in best addressing the housing needs of the District.

(a) Approved Scheme	(b) Approved Budget	(c) Project Recommended For Approval	(d) Project Cost
Grants to RSL's - Low Cost Housing (Ring Fenced for low cost housing from LC sales)	160,000	DIYSO (2 units) &/or additional Homebuy grant (3 units)	52,000

Grants to RSL's – Housing For Rent	200,000	Grant to West Mercia / BDHT to achieve 3 additional rented dwellings Redgrove School – Stoke Prior (Joint funding with Hsg Corp). BDHT Buy Backs for Homeless	96,000 104,000
Grants to RSL's – Housing For Rent (sourced from Sect 106 commuted sums)	50,000		
Grants to RSL's – Housing For Rent (funded from receipts expected from pooling if spent of affordable housing)	35,000		
Grants to RSL's – General (ring fenced for low cost housing from LC sales)	40,000		
Total cost of projects recommended			252,000
Approved budget remaining unallocated			233,000 (£148k for low cost and £85 for rent)

11.6 Detail of the projects recommended in the table above are as follows:

DIYSO (2 units) &/or additional Homebuy grant (3 units) – A scheme whereby the Government Homebuy Scheme could be extended to assist additional applicants. Applicants identify a dwelling to purchase in the private sector and apply for a grant to enable an RSL to acquire the dwelling and let it to them at an affordable rate on a shared ownership or fixed equity basis.

Grant to West Mercia / BDHT to achieve 3 additional rented dwellings Redgrove School – Stoke Prior (Joint funding with Hsg Corp). – approval of a Council contribution towards the scheme that enable an additional three rented units to be provided in replacement for shared ownership units. The joint commissioning approach both enhances the affordability and increased the support of the Housing Corporation in funding the scheme.

BDHT Buy Backs for Homeless – On the same basis as the two previous schemes, BDHT are grant funded to buy back former Council flats for

allocation as temporary housing for the homeless. BDHT match each dwelling grant funded with a dwelling from their own stock.

12.0 Additional Housing Funding Available For Allocation In 2006/07 Programme

12.1 The GOWM has made a cash allowance to housing authorities who are debt free to spend on housing capital projects. Whilst some authorities are restricted to utilising the funding on private sector housing renewal, the allocation of £217k to Bromsgrove can be allocated to housing schemes generally.

12.2 The cash payments have been made in response to the lobbying that has taken place through the South Housing Market Area Partnership on behalf of debt free authorities who have been unable to benefit from previous allocations that have only been made through supplementary credit approvals.

12.3 The following table sets out recommendations in column (c) for projects to be approved for funding from the additional allocation.

(a) Source Of Additional Funding Available	(b) Budget Available For Allocation	(c) Project Recommended For Approval	(d) Project Cost
WM Regional Housing Pot LA Grant Allocation (Safety Net Mechanism)	217,000	Joint Commissioning grant to BDHT to enable development of 17 flats – Flavel Road, Charford. Housing Needs Survey annual update. Private Sector Housing Condition Survey update. Grants to owners of Houses in Multiple Occupation to assist in achieving regulatory standard in Fire Precautions and Energy Efficiency. Choice Based Lettings Capital Implementation Costs Grant to BDHT for conversion of temporary accommodation units at Wythall Energy Efficiency Survey Energy Efficiency Home Insulation Project	100,000 5,000 10,000 30,000 25,000 12,000 5,000 30,000
Total cost of projects recommended			217,000

12.4 Details of the projects set out in the table above are as follows:

- **Joint Commissioning grant to BDHT to enable development of 17 flats – Flavel Road, Charford** – An innovative scheme whereby BDHT is proposing to develop up to 17 flats on three sites through conversion and new build. The development cost is assessed to be £1.8m of which the RSL will be seeking Housing Corporation grant of £730,000. It is considered that a joint commissioning approach of the Council contributing £100,000 to the scheme would greatly enhance the likelihood of the Housing Corporation approving the application.
- **Housing Needs Survey annual update.** – As described earlier in the report, there is a requirement to keep housing needs data up to date and work is being carried out across the South Housing Market Area. An allowance in the Housing Capital Programme is required to enable updating to continue and any additional consultancy work to be commissioned in respect of identifying the needs of minority groups such as Gypsies and Travellers.
- **Private Sector Housing Condition Survey update** – As with the Housing Needs information, data on house conditions in the District needs to be updated for us to be able to complete Government energy efficiency statistical returns and PI information. Accurate data is essential to guide the investment of resources to the areas where dwellings are most in need of upgrading to achieve Decent Homes Standards and affordable warmth. Whilst two of the 8 authorities in the SHMA need to carry out a full housing condition survey, Bromsgrove and the remaining 5 local authorities only need partial updating of existing housing needs data. Once this has been completed, the information will be consistent across the SHMA and a full survey will not be required until 2012.
- **Grants to owners of Houses in Multiple Occupation to assist in achieving regulatory standard in Fire Precautions and Energy Efficiency.** – The Council has a statutory duty to inspect certain HMO's. It is proposed that joint working with landlords to bring properties up to standard can be assisted if the Council can provide grant for up to 50% of the total cost to a maximum of £5000 for both Energy efficiency and Fire works, this cost must be match funded by the landlord. This will be a discretionary grant with a claw back if dwelling is sold within 10 years. The scheme will enable us to deal with as a minimum of 6 HIMOs.
- **Choice Based Lettings Capital Implementation Costs** – The Executive Cabinet has given 'in principle' support to a bid for Government funding for funding to implement Choice Based Lettings. The budget set out in the programme above is to meet the Councils likely capital contribution if the scheme is approved.
- **Grant to BDHT for conversion of temporary accommodation units at Wythall** – When the Executive Cabinet approved 'in principle' the strategy for the closure and remodelling of the Council's hostels, approval was granted subject to BDHT providing two units of temporary accommodation at Wythall. The approval included a willingness by the Council to assist in converting

existing accommodation for this purpose by granting financial assistance for capital works to the two dwellings.

- **Energy Efficiency Survey** – work carried out in assessment of levels of energy efficiency in the private sector stock to assist in directing investment in improvements, preparation of annual HECA report and assessing progress in meeting the governments target for achieving a 30% improvement in energy efficiency over 10 years,
- **Energy Efficiency Home Insulation Project** - offering free cavity wall and loft insulation to all dwellings that fulfil the following criteria: -

65 years (+)

Owner occupied or privately rented accommodation

Live in a property which is in council tax band A-E

Qualification is all dependant upon there being access to the loft space, as this facility is not available for properties which require scaffolding. We would potentially tender directly to 3 insulation contractors. At an approximate cost of £600 per average job, the scheme would be able to insulate 50 properties.

13.0 Financial Implications

- 13.1 The budgets set out in columns (a) and (b) of the table under Sect 11 of the report were approved by this council earlier this year.

Background Papers

None.

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BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

1st NOVEMBER 2006

NORTH WORCESTERSHIRE CODE OF PRACTICE FOR ADAPTATIONS

Responsible Portfolio Holder	Cllr Peter Whittaker
Responsible Head of Service	David Hammond

1. SUMMARY

- 1.1 The report sets out a draft Code of Practice for the adaptation of homes to meet the requirements of people suffering a disability. The Code of Practice is an important document that will shape the future delivery of Adaptations across the whole County. Members are asked to consider the contents of this document and to support the recommendation for acceptance by the Council.

2. RECOMMENDATION

- 2.1 **That the document be formally adopted by the Council subject to recommendation 2.2 below.**
- 2.2 **That a further report will be made to the Executive Cabinet in the event of the consideration of the Code of Practice by a partner organisation leading to any fundamental change to the document,**

3. BACKGROUND

- 3.1 The responsibility for providing adaptations to domestic homes lies with the District Councils through the provision of means tested funding in the form of the Disabled Facilities Grant. In Bromsgrove, further adaptation funding is also made available for people in BDHT social housing units.
- 3.2 It is a statutory requirement that a client's need is first assessed by a professional Occupational Therapist and, in Worcestershire, this is carried out by the three Primary Care Trusts, on behalf of Worcestershire County Council (Social Care). Social Care will also vet an application to ensure that the need is necessary and appropriate. In certain cases they may also provide top up funding if an adaptation exceeds the ceiling for Disabled Facilities Grant from the District Council.

- 3.3 Several organisations are therefore involved, and the process can appear complex, particularly to clients who, to varying degrees, are all vulnerable. Home Improvement Agencies exist to support clients through this process following an OT assessment, from applying for the funding through to final completion of the work on site. For residents who live in Bromsgrove, Redditch and Wyre Forest, this service is provided by the North Worcestershire Care & Repair Agency.
- 3.4 In 2004 a project team was set up with representatives from the various agencies involved, to produce a Code of Practice that would establish a clear working relationship between the respective partners and develop a process that was easily understood by Officers, health professionals, and customers. The aim was to embody the requirements of the “Fair Access to All” to ensure that available resources are directed towards ensuring independent living for those in greatest need.
- 3.5 A group consisting solely of a lead representative from each of the key sectors involved agreed the final version of the document on the 27th of September 2006 and the document now comes forward for approval by each of the respective authorities.
- 3.6 When all of the partner agencies have agreed the final version, an implementation plan will be agreed.

4.0 Key Issues

- 4.1 This Code of Practice aims to bring the people and agencies working together to achieve an efficient and high quality adaptations service. During the development of the North Worcestershire Care & Repair Agency, it was apparent that the range of procedures and systems in place varied considerably between the District authorities alone. This document places a commitment on all of the authorities to identify the barriers to effective working and jointly develop acceptable solutions. In this respect, the forthcoming merger of the three Primary Care Trusts offers a positive opportunity.
- 4.2 The document defines roles and responsibilities of the stakeholders and gives a clear understanding of how the agencies work together. Flowcharts (Appendix 2) illustrate how they interact, and how the various stages contribute to a satisfactory outcome for the customer. Appendix 3 is intended as a guide for projecting the timescales that the agencies can expect when dealing with customers. They are not intended as performance targets, but realistic projections of future outcomes, so that clients can be informed of the timeframe at the outset.
- 4.3 A principal aim is to ensure a consistent eligibility criteria whilst improving accessibility, reducing delay and demands on hospital admission in line with “Fair Access to Care Services”. There is also an emphasis on helping people achieve and maintain independence wherever possible. Priority rating of need is an agreed method of

determining the outcome of an assessment to ensure priority is given to the most urgent cases.

- 4.4 An annual review of the Code of Practice will take account of any changes required both in the levels of provision or legislation.
- 4.5 As the Disabled Facilities Grant is means tested and the maximum grant contribution allowable may not always meet the needs of the client, alternative options for providing assistance are identified.
- 4.6 The type of work eligible for grant aided work is often a cause of some misunderstanding. In order to gain clarification and consistency the final section of the Code of Practice identifies the types of work that are eligible for grant funding, allowing the agencies to advise the customer with greater confidence on the support that can be offered.
- 4.9 The North Worcestershire Code of Practice for Adaptations is an important document that will shape the future delivery of Adaptations across the whole County. Members are asked to consider the contents of this document and to support the recommendation for acceptance by the Council.
- 4.10 To supplement the recommendations at Section 2 above, should any amendment subsequently proposed by a partner organisation have significant implications for the Council, this would trigger further report prior to the full adoption of the document.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications for the Council arising directly from this report. The document defines roles and responsibilities for agencies to work together more effectively in targeting existing resources, and prioritising these towards people in greatest need.

6. LEGAL IMPLICATIONS

- 6.1 This single Code of Practice aims to use a common eligibility criteria based on Fair Access to Care Services, embodying the principles outlined in the Department of Health guidelines on delivering adaptations, and Circular 17/96 of the Housing Grants, Construction and Regeneration Act 1996 (as amended by the Housing Act 2004).

7. CORPORATE OBJECTIVES

- 7.1 The Code of Practice supports the Council's vision of working together to develop excellent services and links in with Council Objectives 1, 3 and 4 by helping improve housing options and choice for those experiencing a disability, helping build a Sense of Community and Wellbeing by enabling people to live independently and safely in the Community and finally to improving customer service and performance.

8.0 RISK MANAGEMENT

- 8.1 The Worcestershire Supporting People Strategy identifies the requirement for a common framework in determining a person's needs using clear eligibility criteria, and to target people in the low, moderate and substantial categories since it is these people who can be helped to live independently. The key objective of the Code of Practice for Adaptations is to ensure that the key agencies recognise this and work in partnership to achieve the overall strategic aim. It is therefore important that the Council, alongside each of the respective statutory bodies, is in agreement with the policy as set out in the Code of Practice for Adaptations.

9. CUSTOMER IMPLICATIONS

- 9.1 The report places an emphasis on supporting clients to live independently in their own homes, seeking long term solutions to meet the social, health, housing, and economic needs of people with a disability.
- 9.2 The Code of Practice establishes a clear process that will be more easily understood by customers.

10. OTHER IMPLICATIONS

Procurement Issues
None
Personnel Implications
None
Governance/Performance Management
Clearer procedure will encourage improved performance in processing of grants.
Community Safety including Section 17 of Crime and Disorder Act 1998
Although there are no specific Community Safety Issues, it is part of the Care & Repair Agency's role to advise on home security matters.
Policy
The Code of Practice is the principle document that defines the operational arrangements for the respective Agencies, in North Worcestershire, involved in providing adaptations for people with disabilities. It will be used as the basis for an equivalent document after the two Primary Care Trusts in the North of the County have completed the merger with South Worcestershire PCT.

Environmental
None
Equalities and Diversity
The report places an emphasis on supporting clients to live independently in their own homes, seeking long term solutions to meet the social, health, housing, and economic needs of people with a disability.

11. **OTHERS CONSULTED ON THE REPORT**

Portfolio Holder	Yes
Acting Chief Executive	
Corporate Director (Services)	Yes
Assistant Chief Executive	
Head of Service	Yes
Head of Financial Services	N/A
Head of Legal & Democratic Services	N/A
Head of Organisational Development & HR	N/A
Corporate Procurement Team	N/A

11. **APPENDICES**

Appendix A Draft North Worcestershire Code of Practice for Home Adaptations for People with Disabilities

(Appendix A includes the following Appendices:-

- Appendix 1 Fair Access to Care Services - Assessment and Provision of Adaptation
- Appendix 2.1 Adaptations Process - Summary of Overall Process
- Appendix 2.2 Adaptations Process - Referral stage to Assessment Community OT (Occupational Therapy)

Appendix 2.3	Adaptations Process - Approval by Social Services to Final Completion of Work
Appendix 3	Time Standards
Appendix 4	Disabled Facility Grants - Guidance on the type of work eligible for mandatory Disabled Facility Grants

12. **BACKGROUND PAPERS**

Department of Health guidelines on delivering adaptations, and Circular 17/96 of the Housing Grants, Construction and Regeneration Act 1996 (as amended by the Housing Act 2004).

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DRAFT

Appendix 1

North Worcestershire
Code of Practice
For
Home Adaptations for
People with disabilities

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1 INTRODUCTION

Statutory Disabled Facility Adaptations are one of the more complex areas of housing and support. There are many people and agencies involved in the process, including:

- the person or family needing a service,
- Registered Social Landlords (RSLs),
- County Social Services (Social Care).
- National Health Service,
- the District Authorities,
- Home Improvement Agencies, and
- Voluntary groups, charities and trusts.

This code of practice aims to bring the people and agencies working together to achieve an efficient and high quality adaptations service.

Guidance from the Department of Health and the Office of the Deputy Prime Minister has been used in the development of this code.

This document defines roles and responsibilities and gives clear targets for how the agencies work together. Representatives from each of the relevant statutory agencies have contributed to this document, setting standards for their own sector and joint working arrangements. Each Statutory Agency has signed up to the code and, in addition, all non statutory local agencies within the area will be encouraged to sign up.

An information leaflet will be produced in appropriate formats alongside the Code for distribution to the public and the relevant organisations. This will provide a simple guide through the adaptations process and key information about local contacts.

The Statutory agencies will continue to develop effective procedures and joint working arrangements, maximising the use of Information Technology, and communications wherever possible. The whole process from the referral stage through to final completion will be rationalised, making use of the SAP contact sheet as the referral document for all agencies. The use of electronic storage and communication will be encouraged to improve time scales, efficiency and security, but supported by paper originals or surface mail where required.

Consultation with stakeholders, and information from interviews and questionnaire results from service users have contributed to the development of this Code of Practice. Consultation with relevant user groups and organisations will act as a multi-Agency review tool and will form an integral part of an ongoing review process.

Positive outcomes and values from the Code of Practice approach to major adaptations

Benefits to the Community

Accident prevention and prevention of hospital admission
Prevention of admission to residential care
Support to care providers
Value for money

Benefits for individuals and families

Dignity
Confidence
Independence
Improved health and well-being
Enhanced opportunities

The aim in developing this process is to target resources towards those with greater need. If resources are limited it may result in clients either being ineligible or having to wait longer for assistance.

2 VALUES

‘The purpose of an adaptation is to modify disabling environments in order to restore or enable independent living, privacy, confidence and dignity for individuals and their families. It is therefore not primarily a matter of building work, the provision of equipment or otherwise modifying a dwelling but providing an individualised solution to the problems of a person experiencing a disabling environment’. (Department of Health 2003)

This Code of Practice aims to provide:

- a more accessible service, with consistent eligibility criteria improving co-ordination and equitable service provision between partner agencies
- Maximising service efficiency using robust systems for speedy delivery.
- Deliver adaptations with minimum delay.
- Reduce admission to hospital or residential care and facilitate hospital/residential home discharge by meeting needs in a timely and responsive manner.

An annual review of the Code of Practice will take account of any changes required both in the levels of provision or legislation.

Equalities

This document is intended to operate within the joint commitment to equalities and diversity including:

- Equal treatment regardless of race, gender, age, disability, sexual orientation, religion or belief, with reasonable adjustments where necessary in line with the Disability Discrimination Act.
- Working to eliminate unlawful discrimination.
- Promoting equal opportunities
- Promoting community cohesion, including good relations between people from different racial groups.
- Providing reasonable access to interpretation or support on request.
- Responding to the needs of all, and working to engage all sections of the community.

Outcomes:

- Joint agency accountability for the entire adaptation process
- Improved service efficiency and effectiveness with the introduction of a single process
- Evidence of increased cost effectiveness across adaptation provision and re-use where applicable
- Shorter waiting times for users from assessment to adaptation completion
- Achievement of adaptations that are acceptable to users, carers and workers and have sustainable benefit
- Development of IT tracking to maximise reuse of adapted accommodation where possible
- Equitable service provision for all users throughout the County from partner agencies.
- Identify and implement additional Service Indicators to show quality improvements across the service.
- Implement a joint protocol for dealing with third party enquiries
- Implement a joint information sharing protocol

2.1 Philosophy Underpinning the single Code of Practice for all partners

This single Code of Practice aims to use a common eligibility criteria based on Fair Access to Care Services, embodying the principles outlined in the Department of Health guides on delivering adaptations,

and Circular 17/96 of the Housing Grants, Construction and Regeneration Act 1996 (as amended by the Housing Act 2004).

“Department of Health Circular LAC (2002) 13, issued in May 2002, provided guidance to social services departments on achieving fair access to adult care services through reviewing and revising their eligibility criteria. Criteria based on this guidance came into use on 7 April 2003. Housing needs should be part of any assessment of overall needs of a disabled person. It should also be recognised that people who do not qualify for social care services may nevertheless be entitled to advice about and/or assistance with the cost of housing adaptations and the mandatory nature of entitlement to disabled facilities grants must always be borne in mind.”

ODPM (2004), Delivering adaptations for disabled people: a good practice guide, para 4.7

The White Paper ‘Modernising Social Service’ places an emphasis on helping people achieve and maintain independence wherever possible. The aim is that local authorities should establish an approach and target services to help people do things for themselves for as long as possible in their own home; and to help people with social care needs of working age take up, remain in, or return to work for as long as possible. In line with the spirit of the White paper, promoting independence has been identified as one of the priorities for both health and social service in the National Priorities Guidance issued in 1998.

In attempting to reduce the perceived level of unfairness in access to adult care services, central government has introduced national eligibility criteria to access services. Whilst it will not mean identical outcomes across the country (as available resources will vary) it should lead to a commonality of process.

Although the document, ‘Fair Access to Care Services’ is for adults, the principles can be applied to children, with some amendments, in liaison with the Children Service (Social Care) and Paediatric Occupational Therapy Services (Primary Care Trusts). In addition, The National Service Framework for Children 2004 includes the Disabled Child Standard that will be taken into account by the Children Teams within County Social Services.

Fair Access to Care Services involves a more holistic approach to assessment and decision making, taking into consideration;

- The assessed needs of the individual and carer/s
- Retaining independence and/or retaining function
- Health and Safety
- The ability to manage daily routines
- Involvement in family and wider community life (including employment and education)

The needs of different client groups will be assessed against a single framework, in an effort to ensure that particular client groups receive no preferential treatment in accessing services.

The Department of Health guidelines on delivering adaptations also provide a framework to assist partner agencies to work together to deliver an effective adaptation service.

This document also seeks to ensure that the adaptation is delivered sensitively, is fit for purpose identified by the end user and within a timeframe that is made explicit at the outset.

The Code of Practice seeks to achieve certain values and positive outcomes in its approach to major adaptations – these are listed in appendix 5.

3 ADAPTATIONS PROCESS

The Agencies aim to provide a seamless process for the client through effective working relationships between practitioners of the various agencies. The process can be divided into the following key stages:

3.1 Enquiry/Referral

Enquiries can be made to any of the agencies. Each of the agencies would be expected to offer advice and refer to the appropriate agency for an 'assessment of need'. To help ensure the client is directed to the appropriate agency, referrals will be based on a single joint feedback, using a SAP (Single Assessment Process) contact sheet. Each agency shall keep a log of their calls to create an audit trail.

3.2 Occupational Therapy

The assessment of need is undertaken by the Occupational Therapy service. The assessment will be undertaken by either an Occupational Therapist or a Technician under the guidance of an Occupational Therapist.

Referrals for adults shall be sent to the Community Occupational Therapy Teams in Redditch, Bromsgrove and Wyre Forest.

Referrals for children shall be sent to the Community Paediatric Occupational Therapy Team, who provide a service across Redditch, Bromsgrove and Wyre Forest.

The Occupational Therapist for the Community Neurological Team is based at the Princess of Wales Community Hospital.

3.3 Screening and prioritisation of referrals to Occupational Therapy

Occupational Therapy shall screen all referrals in order to:

1. Determine if an Occupational Therapy Assessment is required.

Where appropriate, referrals can be passed onto other agencies, such as some requests for minor adaptations and repairs to the home. This enables the Occupational Therapy services to deal with more complex cases and facilitates earlier assessments for major adaptations, and

2. Assess each case on its priority for an Occupational Therapy assessment.

This is based on the level of each client's need in order to ensure that those referrals with a more urgent need are dealt with in a timely fashion.

3.4 Waiting List for Assessment

Clients will be visited and assessed according to their priority status.

Routine cases will be placed on a waiting list and visited in chronological date order. Where appropriate, if there is a change in circumstance, cases will be reviewed and may be re-prioritised. The Services work to a locally agreed priority criteria.

3.5 Assessment

The Occupational Therapist/Technician will undertake an holistic assessment of both the social and health needs of people with a disability or a medical condition. The aim of this assessment is to promote independence and maximise function in the home. The assessment takes into consideration the needs of carers, parents and guardians.

The outcome of the assessment shall be made in line with the Department of Health 'Fair Access to Care Services - Guidance on eligibility criteria for Adult Social Care', and the equivalent 'National Service Framework for Children-Disabled Child Standard'. Consideration should also be given to a persons' eligibility for "advice and/or assistance with the cost of housing adaptations, where they do not qualify for social care services" (ODPM 2004, Delivering adaptations for disabled people: a good practice guide, para 4.7) The scale and depth of the assessment shall be proportionate to the individual's presenting needs and circumstances.

Priority rating of need is an agreed method of determining the outcome of an assessment to ensure priority is given to the most urgent cases.

FACS prioritisation will be made under the following categories in accordance with an agreed implementation programme:

Critical	The risk of major harm/danger to a person or major risks to independence now or in the foreseeable future (typically within 2 weeks)
Substantial	The risk of significant impairment to the health and well being of a person or significant risk to independence now or in the foreseeable future (typically within 6 weeks)
Moderate	The risk of some impairment to the health and well being of a person or some risk to

independence now or in the foreseeable future (typically within 6 months)

Low

Promoting a Person's quality of life or low risk to Independence (typically within 12 months)

See Appendix 1 – Assessment Outcome Criteria

Following the Occupational Therapist's assessment the agreed recommendations for home adaptations will be sent to Social Care for endorsement as 'necessary and appropriate'.

3.6 Options for providing Assistance

There is a range of funding options that may be considered, depending on the client's tenure:

Private sector

- 1 Social Care will arrange for minor adaptations up to a value of £1000.
- 2 The District/Borough Council will provide funding for major adaptations up to the value of £25,000 in the form of a Disabled Facilities Grant (DFG). Under the Provisions of the Housing Grants, Construction and Regeneration Act 1996, the works required must be 'necessary and appropriate' to the clients needs.

The North Worcestershire Care & Repair Agency can support the client through the process, from the application for funding through to completion of the work on site. Social Care may provide top up funding, subject to a financial assessment.

- 3 Private landlords may provide qualifying minor adaptations up to an agreed level, depending on the individual organisation.

Public sector housing

- 4 Social landlords (Housing Associations or local authority) can provide both minor and major adaptations.

3.6.1 Other sources of funding

Non Mandatory Assistance

- 1 Following assessment, the Community OT, Social Care or the local authority, may decide not to provide help because an individual's needs are not eligible for support. In the event of any decision to refuse assistance (whether mandatory or otherwise) organisations shall document this and they will ensure that information about alternative support is provided to the client. This may include the Care and Repair Agency, Age Concern, etc. The Occupational Therapy Services shall maintain up to date details of the full range of their services, and appropriate contact details.
- 2 Voluntary and Charitable Organisations may provide top-ups or grants in some circumstances. The Care and Repair Agency can help clients apply to suitable organisations.
- 3 Where resources are insufficient to allow the works to be achieved, when taking into account the assessed priority, the

Care & Repair Agency will liaise with the appropriate funding agencies.

3.7 North Worcestershire Care & Repair Agency (C&R Agency)

The C&R Agency will support the client through the grant process, and act on their behalf in arranging for the adaptation work to be carried out up to completion of the works. This route is the normal process, although the client is not obliged to use the C&R Agency.

On receipt of a referral from Social Care the C&R Agency will support the client in obtaining grant approval for adaptation work, arranging for any additional funding, scheduling the work required and ensuring that it is completed in accordance with the OT's assessment.

The Caseworker will act as the client's principle point of contact, and the Surveyor will be responsible for all technical matters relating to the work being carried out.

The C&R Agency will ensure that the OT is kept informed, as appropriate, at all stages of the work, with specific reference to suitability of the proposed work, the use of specialist equipment (e.g. hoists, step lifts), and potential impact on overall time scales. In any event the C&R Agency will report on the progress of the overall caseload at regular meetings with the OTs.

The C&R Agency will ensure that the client receives best value for money, within the funding that is available, follows local best practice in selection of contractors (e.g. through the use of a standard schedule of rates, Contractor Code of Conduct, etc.) ensure high standards in terms quality of work and in it's execution, and keep the client informed at all of the key stages.

The C&R Agency will arrange for grant approval in accordance with the requirements of the respective local authority, and will provide, on behalf of the client:

- a completed grant application form,
- relevant plans as appropriate,
- quotations that demonstrate value for money,
- relevant financial details
- proof of ownership, and
- other ancillary information

3.8 Means test

Except for paediatric cases, which are legally exempt, the Disabled Facilities Grant is subject to a formal means test. This can be carried out by the C&R Agency and verified by the District / Borough Council.

In cases of severe hardship, where the client is unable to meet any contribution, information on possible alternatives to meet the contribution will be given (by the C&R Agency).

3.9 Approval

Where Social Care top-up funding may be required, Social Care shall be advised of the outcome of means testing at the earliest opportunity.

When the Local Authority has approved the grant they shall issue a formal notice of approval. The C&R Agency, if the client has engaged their services, shall inform the applicant, contractor(s), Occupational Therapist and Social Care of the outcome of the grant application.

3.10 Appeals

When required an Adaptations Review Panel will meet, to which representatives of the PCT, Social Care, District/Borough Council, RSL, voluntary agencies and user groups will be invited. This will hear any Appeals brought by a client at any stage of the process that this Code of Practice covers. It will ensure;

- minimum client disruption
- a systematic review of the practicality of provision
- common agreement and solutions
- the opportunity for clients to question decisions made or provision proposed/refused

The appellant or their representative (i.e. a friend, legal representative, or family member) will be invited to attend.

When the panel has met and considered the appeal, the client and their advocate will have the opportunity to challenge a decision. The appeal panel may then make further proposals or refuse requests as they deem appropriate.

The partners to this Code of Practice shall, in consultation with relevant Agencies produce a formal document 'Appeal Procedure for Appellants' that will ensure fairness throughout the procedure.

3.11 Site visits

Grant officers may carry out site visits as they consider necessary according to the scale of the work.

3.12 Unforeseen works

If extra work is required, whilst the work on site is in progress, or at any other time, it shall be approved by the grants officer who may inspect the site to ensure the requested work is necessary. If the additional work affects the client's access or use of the adaptation, the

Occupational Therapist will also be involved to agree the proposed changes. A written quote shall be obtained for the work and agreed in writing by the Local Authority. If this increases the applicants' contribution, approval from the applicant shall also be sought.

3.11 Interim payments

The local authority may make stage payments to the builder up to a maximum of 90% of the grant approval amount. The work must be verified by the Local Authority Officers, prior to stage payments being made.

3.12 Joint confirmation of suitability

When the works are complete the client shall be asked to sign a completion slip, although the grant will not be paid until the statutory authorities are satisfied that the adaptation has met the identified needs. On rare occasions the grant can be paid where the client has refused to sign the completion slip for the works.

3.13 Customer Satisfaction Survey

On completion of the works, the C&R Agency will give the client a questionnaire, evaluating the process and performance of the organisations involved. At present this is limited to the C&R Agency and the contractors used, but the partners to this document shall develop a joint process to include the performance of:

- the Occupational Therapy Service,
- Local Authority Grants Section (where relevant)
- Social Care,
- Private Architect/ and Contractor(s).

All customer feedback will be used to pinpoint areas where improvements can be made with services provided.

4 Roles and responsibilities of stakeholders

4.1 The Applicant

1. To make relevant and correct information available
2. To agree, before the work begins that the proposed works address the identified need at the time of the application
3. To ensure that there are arrangements in place for the maintenance and repair of the adaptation where required.
4. To notify the grant giving authority if the adaptation is no longer required

4.2 Occupational Therapist

1. To ensure a client-centred approach
2. To determine that the service user is registerable as disabled.
3. To assess what is 'necessary and appropriate' with the aim of maximising the individual's function and/or meeting the assessed need
4. To consider both the long term and short term needs of the carer and service user, including the suitability of the property in meeting the longer term needs.
5. To advise on specialist equipment or suppliers e.g. lifts and hoists.
6. To advise the applicant on potential liabilities for equipment
7. To support service users through the initial decision making process relating to short and long term needs as a result of their disability
8. To ensure the proposed adaptation will meet the user's needs by agreeing specifications and plans.
9. To liaise with the C&R Agency, and/or other Agencies as required.
10. To ensure that the completed work meets the client's needs as identified at assessment

4.3 Social Care

1. To ensure a client-centred approach (see section 6)
2. To assess what is 'necessary and appropriate' with the aim of meeting the assessed need and maximising independence.
3. To provide information about options and services locally and how to obtain specialist advice
4. To make referrals to the relevant specialist agencies
5. To co-work with the Occupational Therapists to ensure that personal care needs and adaptations are properly co-ordinated

4.4 North Worcestershire Care & Repair Agency

1. To be the main point of contact for the service user throughout the adaptation process
2. To provide advice on eligibility for grants and other funding to cover the cost of works, and to advise Social Care of the outcome of the preliminary means test.
3. To provide advice in seeking alternative accommodation where considered appropriate by the OT

4. To prepare schedules, plans and specifications for work
5. To ensure regular and effective liaison between the service user, and all respective agencies, including: Occupational Therapist, Social Care, Landlord, architect, Contractor and District/Borough Council.
6. To assist with the completion of all documentation necessary for the grant application
7. To ensure the contractors' quotations offer value for money
8. To monitor the building works and liaise with appropriate agencies in the event of problems
9. To ensure that the applicant and all agencies are satisfied with the adequacy of the works upon completion
10. To feed back to the OT service, at all relevant stages on the design/specification, on-site changes, and completion of the work.

4.5 District/Borough Council Grants Section

1. To feed back to Social Care on matters relating to the client's financial assessment

At grant approval stage:

2. To determine whether the proposed works are 'reasonable and practicable' taking into account the age and condition of the property
3. To consult with other agencies as appropriate to establish the adaptation needs of the service user and be satisfied that the works are 'necessary and appropriate'
4. To determine whether the proposed works fall within the legislative mandatory or discretionary criteria and comply with local council policies
5. To calculate the service user's financial contribution to the cost of the works or audit the calculations of the Care and Repair Agency if they carry this out on behalf of the District/Borough Council.
6. To process the grant application to completion ensuring value for money
7. To ensure works have been completed in compliance with all recommendations and legal requirements

4.6 Social Housing Providers (RSL, or Local Authority)

1. To ensure a user centred approach throughout the whole adaptation process
2. To produce a written statement of how the adaptation may affect the service users tenancy agreement, including rent, making good, maintenance and servicing

3. To support their tenant in applying for the most appropriate grant aid throughout the adaptation process
4. To identify a co-ordinator who will be the link person for any enquiries or liaison with other organisations
5. To refer requests for adaptations to the Occupational Therapist for advice and guidance
6. To choose the most appropriate funding route for the work, having regard to the needs of their tenant: for instance own reserves, District/Borough Council, or client contribution
7. To agree prioritisation of work with the Occupational Therapists and ensure that cases are dealt with in accordance with the assessed priority
8. To ensure that the long-term interests of the tenant are considered both in terms of the works required and other options such as moving or transferring property
9. When considering the option of alternative accommodation, to ensure that any proposed work to that property (either directly or indirectly related to adaptation work) is structurally and financially viable and that it can be completed within a practical timescale, before any offer of tenancy is made to the client.
10. To ensure the requirements of the funders (e.g. the District/Borough Council) are complied with.
11. To clarify the ownership of the adaptation and responsibility for maintenance, servicing and insurance at an early stage
12. To ensure works achieve the standards detailed in the specification and meet the needs of tenants

5. Legislative Background

The background to this work is based on the following:

- The National Assistance Act 1948
- The Chronically Sick and Disabled Person Act 1970
- The Disabled Persons (Service, Consultation and Representation) Act 1986
- The Children Act 1989
- The NHS Community Care Act 1990
- The Housing Grants, Construction and Regeneration Act 1996
- Housing Act 2004
- The Carers Act
- Direct Payments Act

- Disability Discrimination Act
- Department of Health Circular LAC (2002) 13 (issued May 2002)
- Delivering Housing Adaptations for Disabled People : A Good Practice Guide Nov 2004 (ODPM)

For the Disabled Facilities Grant, the most significant of these are the Housing Grants, Construction and Regeneration Act 1996.

6 Definitions and Abbreviations

Applicant	person who has made an application for a grant or benefit for him or herself, a person they are a carer for, or for a tenant in the case of a landlord.
Client	person who is receiving services from any of the partners to this Code of Practice
Client-centred approach	An approach that places the needs of the client above other factors, such as other people's wishes or any personal views.
DFG	Disabled Facilities Grant
FACS	Fair Access to Care Services
OT	Occupational Therapist (Therapy)
PCT	Primary Care Trust
Proposed adaptation	refers to the proposal for an adaptation that is agreed by the grant-giving authority
RSL	Registered Social Landlord. Formerly known and are often still known as Housing Associations. They are non-profit making providers of Social Housing
SAP	Single assessment process
Social Care	Part of Worcestershire County Council, formerly known as Social Services
Statutory Agency	An organisation that is required, or entitled, to enact government legislation
Voluntary Agency	An organisation that is authorised to perform duties on behalf of a statutory agency
Stakeholder	An organisation or individual that provides or receives services
Multi-agency	Joint approach by all of the agencies involved in providing a service
Welfare Authority	Worcestershire County Council

7 Key agencies responsible for the development of this document

PRIMARY CARE TRUSTS

Redditch and Bromsgrove PCT

Crossgate House, Crossgate Road
Park Farm Redditch B98 7SN

Therapy Lead
Community Occupational Therapy Team
Paediatric Occupational Therapy Team
Community Neurological Team

Wyre Forest PCT

7th Floor, Brook House
Kidderminster Hospital,
Bewdley Road, Kidderminster DY11 6RJ

Community Occupational Therapy Team

NORTH WORCESTERSHIRE CARE AND REPAIR AGENCY

Redditch Borough Council,
Town Hall, Walter Stranz Square,
Redditch, B98 8AH

Head of Care & Repair and Community
Transport

WORCESTERSHIRE COUNTY COUNCIL

Social Care, County Hall, Spetchley Road,
Worcester, WR5 2NP

Locality Manager (North Worcs)
Adaptations Service Advisor

GRANT FUNDING AUTHORITIES

Redditch Borough Council

Town Hall, Walter Stranz Square,
Redditch, B98 8AH

Head of Environmental Services,

Bromsgrove District Council

The Council House, Burcot Lane,
Bromsgrove B60 1AA

Private Sector Housing Team Leader

Wyre Forest District Council

Duke House, Clensmore Street,
Kidderminster, DY10 2JX

Principal Environmental Health Officer
(Housing)

SOCIAL HOUSING PROVIDERS

Redditch Borough Council

Town Hall, Walter Stranz Square,
Redditch, B98 8AH

Head of Housing Services

Wyre Forest Community Housing

3 Foley Grove, Foley Business Park
Kidderminster, DY11 7PT

Housing Needs Service

Bromsgrove District Housing Trust

Buntsford Court, Buntsford Gate,
Bromsgrove, Worcestershire. B60 3DJ

Project Manager

DRAFT

APPENDIX 1

Fair Access to Care Services – Assessment and Provision of Adaptations

CRITICAL - Priority level 1		
The risk of major harm/danger to a person or major risks to independence now or in the foreseeable future (typically within 2 weeks)		
<u>Elements</u>	<u>What this Means</u>	<u>Needs</u>
<ul style="list-style-type: none"> • Life is or will be threatened and/or • Significant health problems have developed or will develop and/or • There is, or will be, an inability to carry out vital personal care or domestic routines and/or • There is little or no choice and control over vital aspects of the immediate environment and/or • Serious abuse or neglect has occurred or will occur and/or • Vital social support systems and relationships cannot or will not be sustained and/or • Vital involvement in work, education or learning cannot or will not be sustained and/or • Vital family and other social roles and responsibilities cannot be undertaken 	<p>Either now or in the foreseeable future (typically within 2 weeks) a person needs social care support and any one of the following applies:</p> <ul style="list-style-type: none"> • physically or mentally unable to care for themselves and/or • unable to remain in, or return to, their own home without severe and immediate risk and/or • unable to carry out essential life tasks and/or • unable to maintain safety and security in their own home to avoid severe risk to self or others; • unable to choose or control the way essential life tasks are met; • there is acute mental breakdown or deterioration in enduring mental illness leading to severe and immediate risk to self or others and/or • abuse or neglect which is potentially life-threatening and/or • carer support network is non-existent or has broken down with the result that essential life tasks cannot be met and/or • person is unable to access vital work, education or learning activities and this poses a severe and immediate risk to their ability to live in the community and/or • person is unable to fulfil vital family roles, and this poses a severe and immediate risk to their ability to live in the community 	<p>Examples of essential life tasks: Person is unable to:</p> <ul style="list-style-type: none"> • use toilet; • prepare meals and drinks; • eat and drink; • manage own medication; • get in/out of bed/chair; • maintain personal hygiene; • access essential facilities in own home <p>Other needs: Person is unable to:</p> <ul style="list-style-type: none"> communicate needs; protect self from others; prevent severe risk of self neglect; attend vital education, work, learning opportunities; provide vital level of parenting or carer tasks; retain accommodation <p>take bath/shower to prevent risk of actual harm or predictable severe deterioration in skin or health; *(see below)</p> <p>* medical conditions include:</p> <ul style="list-style-type: none"> ➤ long-term severe urine and/or bowel incontinence ➤ permanent stoma ➤ continuous peritoneal dialysis ➤ long-term pressure ulcers ➤ skin conditions (psoriasis, severe eczema) ➤ epilepsy (potential risk of frequent fits) ➤ exceptions – palliative care ➤ progressive neurological condition

SUBSTANTIAL - Priority level 2

The risk of significant impairment to the health and well being of a person or significant risk to independence now or in the foreseeable future (typically within 6 weeks)

<u>Elements</u>	<u>What this Means</u>	<u>Needs</u>
<ul style="list-style-type: none"> • There is, or will be, only partial choice and control over the immediate environment and/or • There is, or will be, an inability to carry out the majority of personal care or domestic routines and/or • The majority of social support systems and relationships cannot or will not be sustained and/or • Abuse or neglect has occurred or will occur and/or • The majority of family and other social roles and responsibilities cannot or will not be undertaken and/or • Involvement in many aspects of work, education or learning cannot, or will not, be sustained 	<ul style="list-style-type: none"> • Person has great difficulty physically or mentally in caring for themselves and/or • Person has great difficulty in carrying out essential life tasks and/or • Person has great difficulty remaining in, or returning to, their own home without significant risk and/or • Person has acute mental breakdown or deterioration in enduring mental illness leading to significant risk and/or • Carer support network is non-existent or has broken down with the result that many essential life tasks cannot be met and/or • Abuse or neglect has, or is likely to occur and/or • Person has great difficulty fulfilling many family roles and this poses significant risk and/or • Person has great difficulty accessing many aspects of work/education/learning activities and this poses significant risk 	<p>Examples of essential life tasks:</p> <p>Person has great difficulty to:</p> <ul style="list-style-type: none"> • use toilet; • prepare meals and drinks; • eat and drink; • manage own medication; • get in/out of bed; • maintain personal hygiene; • access essential facilities in own home <p>Other needs:</p> <p>Person has great difficulty to:</p> <ul style="list-style-type: none"> communicate needs; protect self from others; • prevent severe risk of self neglect; take bath/shower to prevent risk of actual harm or predictable severe deterioration in skin or health; attend vital education, work, learning opportunities; provide vital level of parenting or carer tasks; retain accommodation

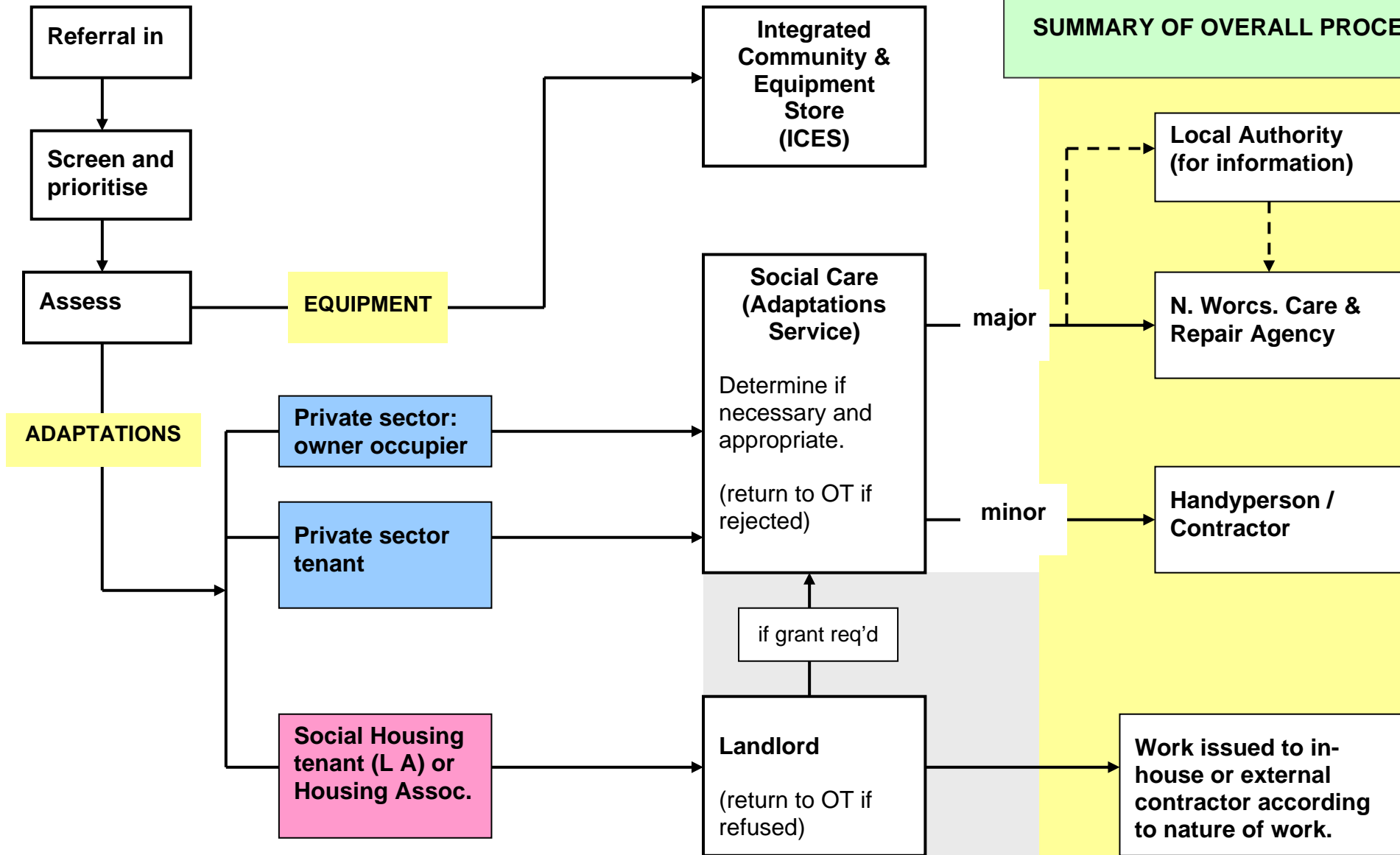
MODERATE - Priority level 3

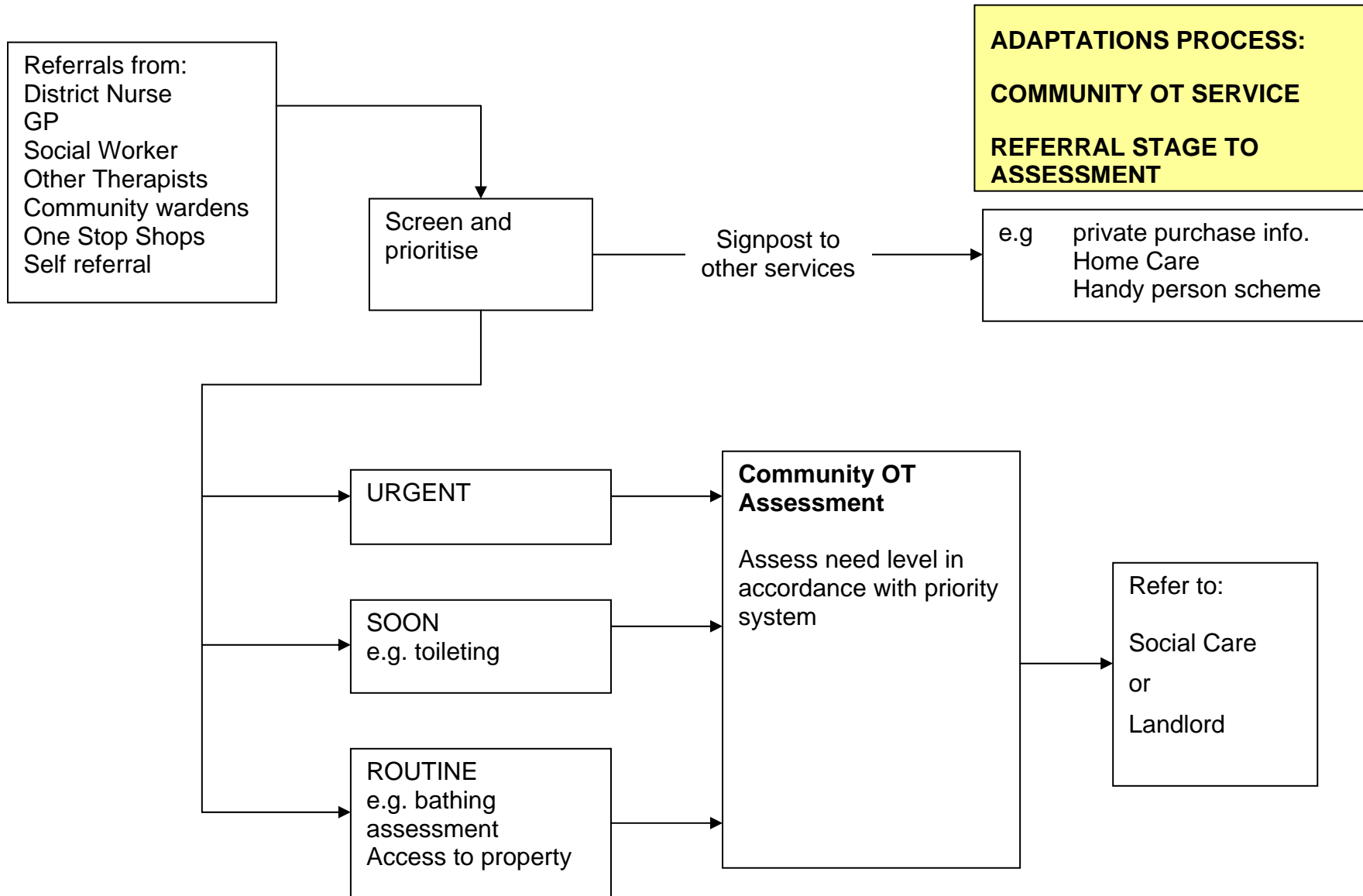
The risk of some impairment to the health and well being of a person or some risk to independence now or in the foreseeable future (typically within 6 months)

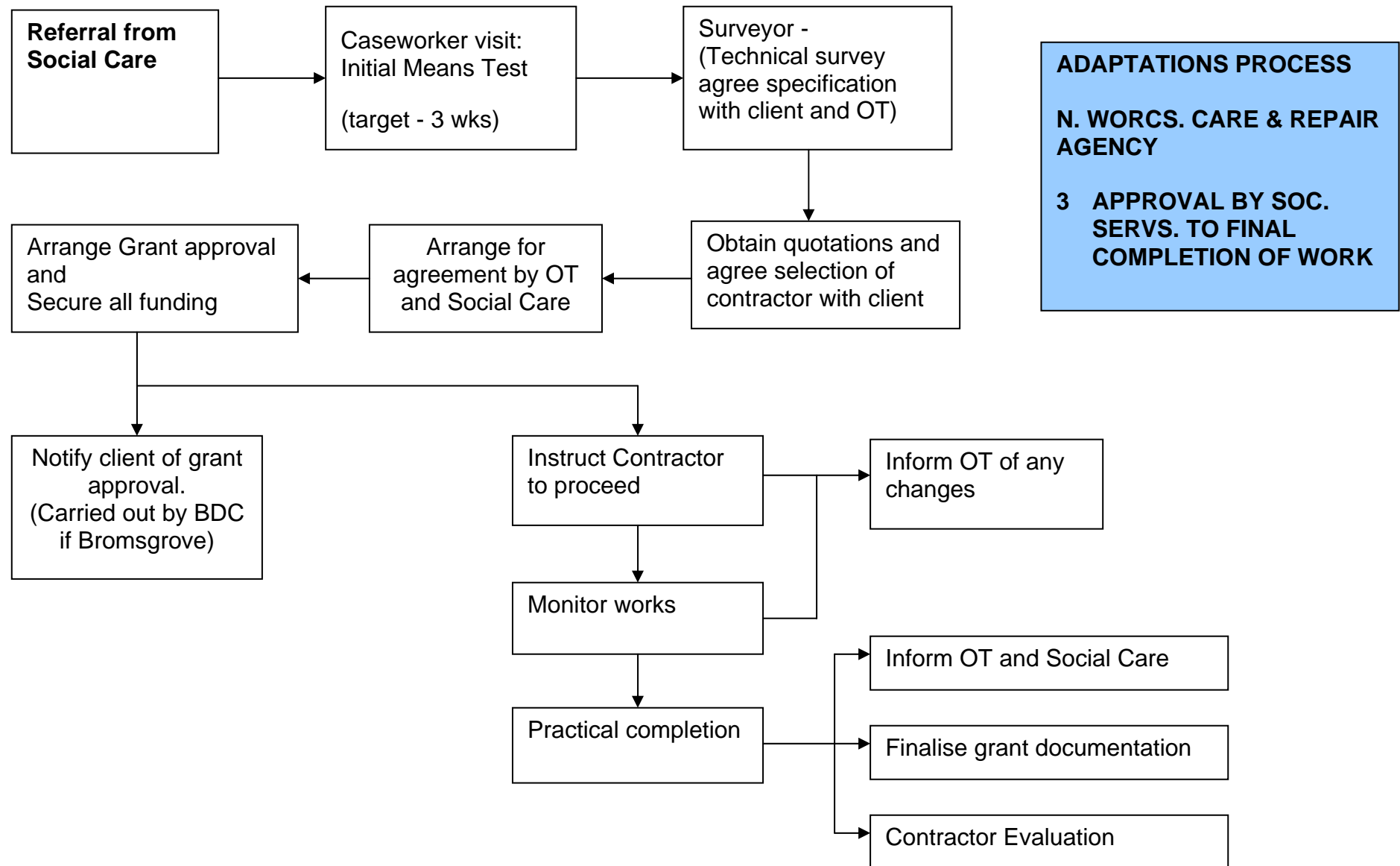
<u>Elements</u>	<u>What this Means</u>	<u>Needs</u>
<ul style="list-style-type: none"> • There is, or will be, an inability to carry out several personal or domestic routines and/or • Several social support systems and relationships cannot or will not be sustained and/or • Involvement in several aspects of work, education or learning cannot or will not be sustained and/or • Several family and other social roles and responsibilities cannot or will not be undertaken 	<ul style="list-style-type: none"> • Person is able to maintain essential life tasks, but has difficulties with other daily living tasks and domestic routines and/or • Person's family/friends can meet some but not all the necessary daily living needs and/or • Person has difficulties accessing some aspects of work/education/learning activities but this does not pose a significant risk and/or • Person has difficulties in fulfilling some family roles but this does not pose a significant risk 	<p>Able to maintain essential life tasks, though possibly only with time/effort, but difficulties with other daily living tasks and domestic routines e.g.</p> <ul style="list-style-type: none"> • Housework • Laundry • Shopping • Bathing • Gardening etc • Social contact

LOW – priority level 4		
Promoting a Person's quality of life or low risk to Independence (typically within 12 months)		
<u>Elements</u>	<u>What this Means</u>	<u>Needs</u>
<ul style="list-style-type: none"> • There is, or will be, an inability to carry out one or two personal care or domestic routines; and/or • Involvement in one or two aspects of work, education or learning cannot or will not be sustained; and/or • One or two social support systems and relationships cannot or will not be sustained; and/or • One or two family and other social roles and responsibilities cannot or will not be undertaken 	<ul style="list-style-type: none"> • Person can manage most daily living tasks but needs some assistance • Person experiences some social isolation • Person has some limitations in their involvement in family or caring roles • Person's quality of life would be improved by some involvement in work/education/learning 	<p>Independent with essential life tasks, but may need some assistance with other daily living tasks and domestic routines e.g.</p> <ul style="list-style-type: none"> • Housework • Laundry • Shopping • Bathing • Gardening etc • Social contact

**ADAPTATIONS
SUMMARY OF OVERALL PROCESS**







APPENDIX 3 – Anticipated Time Scales

The respective Agencies (shown in bold) shall monitor the following stages in order to establish standard overall completion times. Agencies will report on the projected timescales (see below *) at 3 month intervals. This will allow the Agencies to give realistic information to clients / applicants in respect of anticipated completion dates.

	From	to	Urgent		Non urgent	
			Critical (level 1)	Substantial (level 2)	Moderate (level 3)	Low (level 4)
1	Date of full assessment by Occupational Therapist	despatch of recommendation to Social Care (or landlord as appropriate)				
2	Receipt of recommendation by Social Care	despatch of recommendation to C&R Agency – 3a , or social landlord – 3b				
3a	Receipt of referral by C&R Agency	first visit by Caseworker				
3b	Receipt of referral by Social Housing	Completion of Works *				
4	Receipt of <u>completed</u> Grant application by Local Council	issue of approval notice				
5	Receipt of referral by C&R Agency	Completion of Works *				

* Certain information will be dependent on the future availability of funds in order to process the grants.

Disabled Facility Grants – Guidance on the type of work eligible for mandatory Disabled Facility grants

The following guidance has been drawn up by the steering group;

Heating

A DFG should not be given to adapt or install heating in rooms which are not normally used by the disabled person. The installation of central heating to the dwelling should only be considered where the wellbeing and mobility of the disabled person would otherwise be adversely affected. It may be that the provision of single electric heaters (such as a fan heater in a bathroom), would be acceptable as a top up to an existing system.

Play Areas

Funding for play areas will not be considered for mandatory disabled facility funding. These are the responsibility of the householder.

Over bath Showers/Level access showers

This comes under the heading 'facilitating access to amenities' by the disabled person. Wherever possible, it is preferable to install level access showers for safety and to provide a long-term solution. There are considerable implications in terms of safety surrounding the installation of over bath showers and whether they offer a long-term solution to bathing needs.

Where the existing bathing facilities and sleeping accommodation are located on the first floor, the provision of suitable access to these (for instance by the installation of a vertical or stair lift) should always be considered in preference to new provision by conversion of ground floor rooms or extension.

Specialist Baths

Baths such as 'Parka' baths and 'Aquanova' baths will only be considered where there is a specific justification in terms of bathing safely. They are extremely costly and bathroom adaptations are quite often required to fit them.

Extensions

The existing space must be considered first, by partitioning a large living room, for example, or converting a garage space to create a bedroom. Although through floor lifts can be disruptive, the cost of a new build extension is extremely expensive (in excess of £25,000 to

£45,000), it is preferable to seek alternative cost-effective solutions can be found.

Wherever practical, consideration shall be given to the use of Prefabricated Outdoor Structures (Pods).

There is no requirement to retain or provide a separate dining room so such rooms should be considered as an amenity for the disabled person.

Double bedrooms will be provided, where practicable, where two people are cohabiting.

Safety

Safety equipment /adaptations will only be considered where there is a specialist need

The type of work that might be covered includes provision of safety glass in a bedroom / living room or the reinforcement of wall and floors where necessary. An appropriate risk assessment must be carried out and the need to eliminate or minimise that risk identified.

Access to and from a dwelling/Ramps

A single access to and from the dwelling would be considered reasonable, unless there are justified reasons for needing more. Door entry systems to the main access and remote garage doors can be included but only usually where it is the main access for an unaccompanied wheelchair user-

A ramp is generally considered when the client is a full- time wheelchair user. Where the client is able to walk short distances and/or negotiate steps with the help of a carer or handrails, a ramp is not generally considered, although frequency of use and the ability of the carer to push an attendant-propelled wheelchair is taken into consideration. Ramps should generally be permanent constructions unless the assessed need indicates otherwise. Each situation will be assessed on an individual basis.

Possession of a powered scooter does not imply any obligation for the provision of level access.

A suitable level area may be considered to facilitate access by the disabled occupant to and from the dwelling.

Kitchens

Detailed information on the client's requirements would be needed with a plan of the proposed kitchen layout. Specialist facilities such as cookers and sink units can be considered. The client would need to be

the main food provider for major adaptations. Minor adaptations for the disabled person to make drinks/light meals, if they are not the main food providers, can be considered.

Storage Needs for Specialist equipment

(e.g. home dialysis equipment). The mandatory grant addresses issues over 'access to and from' rather than storage. However, it could be considered where other grant works were taking place for access reasons.

Access to bedroom, bathing and toilet facilities

Where a stair lift is not viable, (e.g. recognised continence problems), a downstairs WC can be considered. If the client is physically unable to use the stairs a stair lift would enable independent access to bedrooms, bathrooms etc. The stair lift is a cost-effective solution, requiring minimum disruption to the occupier.

Gardens

Work to gardens or access to gardens on its own will not be considered under the mandatory grants scheme, unless there are specific needs to address.

Hoist equipment

Hoisting equipment will be provided, under private sector grant funding, if it forms part of a major adaptation

Eligible grant works

The Local Authority will only pay a grant for what it considers to be a reasonable and suitable scheme. Owners who wish to provide larger schemes of work, for instance the provision of an extension as opposed to utilising an existing structure may do so by funding the cost of works over and above the eligible grant works.

Moving House

Some houses are not suitable for adaptation and it may be better to advise alternatives, such as re-housing (in a RSL property), or buying a private property that could be adapted, if necessary, with the help of a grant. This is an area for development by all the organisations. Some Local Authorities offer a Moving Home Grant to facilitate this.

Appeals

Where people feel aggrieved by schemes produced under these guidelines they may appeal in the first instance to the Adaptations Review Panel, described in para 3.10 of this document.

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

1st NOVEMBER 2006

HOMELESSNESS PREVENTION

Responsible Portfolio Holder	Cllr Peter Whittaker
Responsible Head of Service	David Hammond

1. SUMMARY

- 1.1 The Government has set all local authorities a target of reducing the numbers of homeless people in temporary accommodation by 50% by 2010. Although there continues to be minimal use of Bed and Breakfast in Bromsgrove the use of other forms of temporary accommodation continues to be significant and further actions need to be employed to achieve the target reduction.
- 1.2 The report advises members of the assistance that the DCLG Homelessness Directorate has given to officers of the Strategic Housing Section in identifying ways of reducing the use of temporary accommodation and outlines the DCLG's recommendations for the implementation of further preventative measures that could improve our progress in this District.
- 1.3 The report advises of additional funding being made available to this authority by the DCLG to help implement additional preventative measures and sets out proposals its use. The report also recommends the funding implementation by the Council of a Rent Deposit Scheme for persons over 25 and a Homelessness Prevention Fund Spend To Save Scheme.

2. RECOMMENDATION

- 2.1 **The Council's Allocations Policy be reviewed and a report be made to a future meeting of the Executive Cabinet in respect of any alterations identified to ensure that the policy gives the right messages regarding accessing social housing.**
- 2.2 **That the Council work in partnership with BDHT to jointly develop a new post of Homelessness Prevention Officer be approved and that the additional DCLG funding of £15,000 pa for 2006/7 and 2007/8 be allocated to the provision of this service, and that a review be carried out of how homelessness preventative and advice services are provided and funded in future years.**

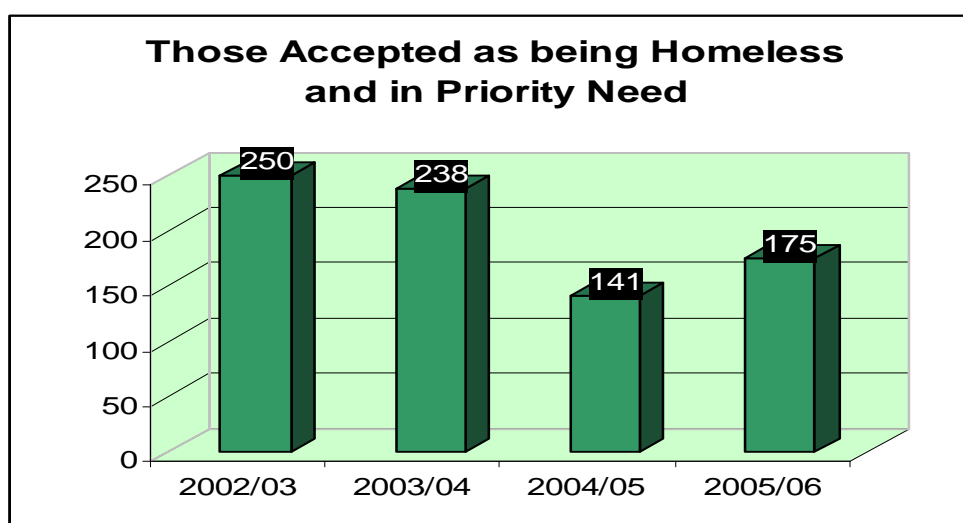
- 2.3 That the provision of a Rent Deposit / Rent in Advance / Bond Scheme for persons over 25 be piloted from January to April 2007 funded from within existing budgets.**
- 2.4 That the provision of a Homelessness Prevention Fund 'Spend To Save Scheme' be piloted from January to April 2007 from within existing budgets.**
- 2.5 That £10,000 pa be considered within the Council's annual budgeting process for the provision of a Rent Deposit / Rent in Advance / Bond Scheme to be put into full operation from 1st April 2007.**
- 2.6 That £5,000 pa be considered within the Council's annual budgeting process for the provision of a Homelessness Prevention Fund 'Spend To Save Scheme' to be put into full operation from 1st April 2007.**

3. BACKGROUND

- 3.1 The Homelessness Act 2002 changed the way that local authorities approach homelessness by introducing the requirement for local authorities to develop Homelessness Strategies that are focussed on the reduction in rough sleeping, repeat homelessness and the long term use of B&B for families. The Government has since introduced a national target for all local authorities to reduce their use of temporary accommodation by 50% between 2004 and 2010.
- 3.2 This authority developed a Homelessness Strategy in 2003 that has since been reviewed and is now embedded as one of the key priorities in the Council's new Housing Strategy. At the heart of the Homelessness Strategy is investment in homelessness prevention. Members will be aware that a number of homelessness preventative schemes are in place in partnership with Bromsgrove & District CAB, Bromsgrove Youth Homelessness Forum, Baseline and CACTUS supported by Council funding and the annual Homelessness Grant provided by the Government (£42,000).
- 3.3 Earlier this year, the Council approved the recommendations of the Bromsgrove Homelessness Steering Group to allocate part of the government grant into part funding the provision a new Homelessness Preventative and Support Service through BDHT. This service is to commence in November mainly funded through Supporting People to provide support to homeless people residing in all forms of temporary accommodation in the District whether it be Hostel, B&B or temporary tenancies. The service will also focus on prevention with particular emphasis upon reducing repeat homelessness.

3.4 Homelessness Acceptances

Although homeless acceptances increased during 2005/06 they are still well below the levels experienced in 2002/03 and 2003/04. The reduction during 2004/05 was due to the introduction of a housing advice prevention service with CAB following LSVT. During 2004/05 CAB gave Housing Advice to 931 clients and 1136 during 2005/06 this equates to a 22% increase in approaches. Although during 2004/05 a 6.6% increase was experienced, the overall downward trend indicates the level of success that the new Housing Advice Service has achieved in preventing homeless approaches. It is anticipated that 2006/07 will show further improvement. On average we saw 44 acceptances per quarter during 05/06 and our data shows 29 acceptances for the first quarter of 06/07 and so we anticipate the final acceptance figure to be no more than 161.



3.5 Use of Temporary Accommodation

The number of households in temporary accommodation has continued to be high totalling 97 in March 06 and 88 in July 06. This includes clients in Hostel, B&B and BDHT temporary tenancies.

The requirement to provide temporary accommodation is influenced by three factors:

- The number of homeless households approaching the Council that we have an interim duty to accommodate whilst we investigate their application.
- The number we accept a statutory duty to assist.
- The number we offer short term accommodation to following an intentionality decision (usually 28 days).

During 2004-2006 we increased the supply of self contained temporary accommodation by 16 units in order to continue the minimal use of bed and breakfast for families, currently at zero. These units are of a higher standard of accommodation than the existing hostel accommodation with shared facilities. This, coupled with an under supply of settled accommodation, has resulted in the number of households in temporary accommodation increasing.

Units of Temporary Accommodation and 2010 Target

TA Type	No of Rooms/Units	Tenancy Type	2010 Target
Hostel	35 Rooms	Licence	20 (conversion to self contained flats)
House	6	AST	4
Flats	9	AST	10
	50		34

The above table shows the number of temporary accommodation units currently available specifically for homeless applicants, a total of 50 units, and the target to convert some of these units in order to meet the 2010 government target.

The hostels are currently being used at approximately 50% capacity - there were 17 households in hostel accommodation as at 22nd Sept 06. Wythall Hostel is now empty so that the property can be sold on the open market to fund the remodelling of two other hostels into 20 self contained units

To support the plan to de-commission the hostels officers have entered into negotiations with a Private Landlord regarding the management of 6 units of accommodation on a Private Sector Leasing Scheme basis. Progress on this is subject to a separate report to the Executive Cabinet.

The number of households in temporary accommodation exceeds the amount of temporary accommodation made available specifically for homeless households (88 as at 30 June 06) due to BDHT using their own general needs stock as temporary accommodation to avoid placing families in hostel accommodation which is deemed to be unsuitable.

The current allocations policy offers generous levels of choice regarding permanent accommodation; therefore, many clients are waiting for their ideal property to become available rather than taking a realistic view about the availability of housing. The allocations policy is under review and the Council is also pursuing a bid for the implementation of a sub regional choice based lettings scheme which will help housing applicants to understand the supply v demand aspects of social housing.

The main reduction in temporary accommodation needs to be achieved by the reduced use of BDHT's own general needs stock, by dealing with the backlog of households in TA and introducing more **prevention work**.

5.0 Focusing on Homelessness Prevention

- 5.1 Ongoing and improved prevention work is fundamental to reducing the use of temporary accommodation, meeting government targets and decommissioning of the hostels to meet the recommendations of the Audit Commission report on Strategic Housing.
- 5.2 Although a number of preventative services are in place and the overall trend of homelessness presentations is generally reducing, the use of temporary accommodation continues to be high and is failing to be on course for meeting the government's expected reduction by 2010.
- 5.3 In recognition of this, the Specialist Advisor of the DCLG's Homelessness Directorate has provided the Council with advice and support at an Action Planning day with the purpose of helping us determine where we are tackling homelessness and what actions need to be considered to further develop the service.

The feedback received from the DCLG advises us that there is considerable potential to improve preventative measures such as:

- Implementing home visits to try and avert homelessness
- Review the allocations policy so that it sends out the right messages about how to access social housing.
- Ensuring that the staff structure focuses more officer time on preventative activities than on assessment activities.

The DCLG have provided us with a toolkit to assess our potential for reducing the use of temporary accommodation. This is an assessment mechanism to follow that identifies a method of plotting our ability of achieving the required target. The officers have worked through this process that includes:

- Assessing the number of households currently occupying temporary accommodation.
- Estimating the number of households likely to need temporary accommodation during the year.

And deducting

- Gains from conversion of temporary tenancies in BDHT's own stock
- Average Drop Out from TA
- Lettings from BDHT's own Stock (excluding Homeless at Home)
- Increased supply of affordable housing units for statutory homeless in TA
- Gains from prevention initiatives not yet fully established

The estimated outcome indicates a potential to clear the backlog of people who have been in temporary accommodation for lengthy periods and reduce the overall number of households in temporary accommodation to 15. The strategy plan does however include the

provision of further preventative services not yet approved and therefore the date when the reduction could actually be achieved will depend upon how soon these additional measures can be implemented. A summary of the strategy plan is set out at Appendix I.

5.4 The recommendations of the DCLG identify that home visits are an essential element of a robust preventative scheme and that this is missing from our service. They advise that home visits are particularly important for Bromsgrove as 37% of all homeless acceptances are as a result of parental, relative or friend evictions. Negotiation with the excluder and the offer of alternative options is recommended to help prevent homelessness and identify which cases are actually homeless and which are just in housing need.

5.5 The DCLG recommendations go on to identify that to be effective in preventing homelessness, front line staff need to have access to a comprehensive set of options and that there are a few examples of some key initiatives being missing or under-developed in Bromsgrove. These are:

- A Private Tenancy Rent Deposit / Guarantee Scheme for people over 25 years of age (currently only available to under 25's) and that the provision of 50 deposits p.a would be reasonable for an authority the size of Bromsgrove.
- Adoption of a Homelessness Prevention Fund (A Spend To Save Scheme) that is easily accessible by all front line officers and flexible to use.
- Improved links with private landlords with a focus in the longer term of establishing a Direct Lets Scheme.

5.6 The recommendations acknowledge that the Council's resources on preventing homelessness are stretched and that it will struggle to achieve improvements in this service area until additional funding is secured. In recognition of the need for more resources, the DCLG has agreed to allocate an additional homelessness grant allocation of £15,000 for 2006/7 and 2007/8. The funding is provided in the hope that Bromsgrove DC will match fund this allocation and use the resources to deliver a revised temporary accommodation plan.

6.0 Proposed Strategy Plan for reducing use of temporary accommodation

6.1 Following on from the advice provided by DCLG we were asked to submit our plans indicating how we propose to develop our preventative services to achieve the results that the assessment toolkit detailed at 5.3 above indicates as being possible if the recommended preventative measures are implemented.

- 6.2 The following proposals therefore come before members for consideration to further strengthen the preventative measures already in place:
- i) The Council's Allocations Policy be reviewed and a report be made to a future meeting of the Executive Cabinet in respect of any alterations found to be necessary to ensure that the policy gives the right messages regarding accessing social housing.
 - ii) The Council work in partnership with BDHT to jointly develop a new post of Homelessness Prevention Officer who would be based within the Homelessness Department at BDHT to provide a rapid response and visiting service to advise and where possible prevent exclusion from a dwelling.
 - iii) The Council develop a Rent Deposit / Rent in Advance / Bond Scheme for persons over 25 to increase access to private sector rented accommodation. It is proposed that the Scheme become operative from January 2007.
 - iv) The Council provide a Prevention Fund 'Spend To Save Scheme' which would allow front line officers to access funding that would avert homelessness and the need and expense of assessing a case and securing temporary accommodation. It is proposed that the scheme be operative from 1st January 2007.
- 6.3 It is recommended that the Council commits annual funding of £10,000pa to the Rent Deposit/ Rent in Advance / Bond Scheme and £5,000 pa to the Prevention Fund 'Spend To Save' Scheme. The total amount of £15,000 pa is thus identified as the match funding that we are requested to identify by the DCLG in lieu of the additional £15,000 grant they are allocating to us, which could then be applied to providing the additional post of Homelessness Preventative Officer.
- 6.4 Details of the schemes proposed at ii), iii) and iv) above are as follows:

Development of a Homelessness Prevention Officer

Negotiations are being undertaken with BDHT to explore the jointly funded provision of a Homelessness Preventative Officer. This would be a new post within Homelessness Section of BDHT to work closely with officers assessing homelessness applications and to provide a rapid response and visiting service to advise and where possible prevent exclusion from a dwelling by a potentially homeless person. It has been identified that there is a significant gap in the service between the initial assessment of a homeless applicant at BDHT and the provision of preventative advice by the CAB. A rapid response home visit may in many cases prevent someone from becoming homeless by the prompt provision of advice and negotiation with landlords, relatives or friends attempting to exclude the client from a dwelling.

It is proposed that the additional grant of £15,000 pa allocated by the DCLG for 2006/7 and 2007/8 be allocated to this provision and that a review be carried out of the method by which the homelessness preventative and advice services are provided in future years.

Rent Deposit / Rent in Advance / Bond Scheme for persons over 25 year of age

The objective of the scheme is to help individuals access the private rented sector, by offering assistance in securing private tenancies. It is proposed that Bromsgrove District Council will be able to offer applicants a months rent up front in advance of the start of the tenancy. In addition to this, the Council would also offer a bond whereby they would guarantee the landlord that if any damages or rent arrears occurred the Council would pay up to the equivalent of one months rent.

To ensure the long term success of this scheme, a payment agreement will be arranged separately with the applicant. This will involve them agreeing to make regular payments against any money paid for their rent in advance. Once this is cleared it is proposed that they will continue saving so that they are in a position to own the deposit on the property. By introducing this part of the scheme, we will not only be ensuring that any money outlaid by the Council is repaid but it will also encourage the owner to take more responsibility for their future, encouraging them to respect their property and equipping them with the finances to be able to take their deposit to another property as and when they chose to move on.

The Council's Housing Initiatives Officer is currently developing a full set of proposals for a scheme that will come forward to a future meeting of the Executive Cabinet with the objective of the scheme becoming operational from January 2007.

Members are asked to approve the principle of committing funding of £10,000 pa to the scheme, which as recycling of funding takes place will gradually expand the facility.

Homelessness Prevention Fund 'Spend To Save Scheme'

A Scheme whereby the Council would support the re-housing of vulnerable statutorily homeless households. The scheme would enable officers to spend money in a flexible way to aid the early re-housing of statutory homeless households where the cost benefits to the Council of doing so are clear. Where appropriate applicants would then be re-charged and repay on agreed terms that are affordable to them without jeopardising future home security.

This initiative would enables a flexible approach that would lead to improvements in the way we both prevent homelessness and aid the early re-housing of statutory homeless as well as potentially saving the Council money.

Spend to save schemes are operating successfully in neighbouring authorities and examples of how this could be used are:

a) Arrears paid to enable homeless household to be offered alternative accommodation under the Registered Social Landlords allocations policy and to save costs of the bed and breakfast placement

b) Van rental paid to assist homeless household to move into a tenancy, collecting furniture from a local furniture project and saving bed and breakfast costs.

c) Tenant repair responsibility costs paid to a private landlord to secure the renewal of a private tenancy.

The Council's Housing Initiatives Officer is currently developing a full set of proposals for a scheme that will come forward to a future meeting of the Executive Cabinet with the objective of the scheme becoming operational from January 2007.

Members are asked to approve the principle of committing funding of £5,000 pa to the scheme, which as recycling of funding takes place will gradually expand the facility.

7.4 Issues raised within the Audit Commission Inspection Report that support the proposals for additional preventative measures being put in place.

Point 88

There is a lack of a full range of housing options for over 25 year olds in the district. The private tenancy scheme run by the Basement project does not have sufficient resources to enable it to be extended to the over 25 year olds. This means that this group find it more difficult to provide sufficient guarantees to landlords to enable them to move into the private rented sector within Bromsgrove.

Point 92

There is a mixed picture on the quality of preventative work being undertaken in the district for homelessness. Whilst the preventative work done through the CAB is effective, the operation of family mediation services in the district is not working well to provide solutions until situation have reached crisis. BDHT report that significant numbers of homeless presentations are being made where low level intervention and support would have been possible to resolve family tensions and prevent homelessness occurring. This is adding to the pressure on temporary accommodation and support services in the district.

Point 96

The Council has not used all possible options in addressing the needs of homeless and vulnerable people in the district and it has not been sufficiently innovative on using all housing options to limit homelessness. For example, a bid was made to Council to provide a 'Spend to Save' scheme that could be used, for instance, to provide financial support to a single parent enabling them to remain at home. This was turned down by Councillors. This limits the number of option for external homelessness prevention services.

8.0 FINANCIAL IMPLICATIONS

- 8.1 Funding options for the Rent Deposit and Spend To Save Schemes are restricted to the Council budget; no other sources of funding have been identified.
- 8.2 DCLG Funding available to support the Homeless Prevention Officer is not guaranteed beyond 2007/8.
- 8.3 Ongoing costs for provision of Rent Deposit and Spend To Save Schemes will have to be met from revenue budgets.
- 8.4 If the Spend To Save scheme is not initiated, the Council will continue to incur costs for meeting it's statutory duty to provide temporary accommodation for homeless families who have former tenancy arrears whilst Officers negotiate their re-housing. Although this scheme is unlikely to assist more than 6 families a year, the cost savings and improvements to performance would be significant.
- 8.5 The pressures on the Councils medium term financial plan as a result of providing these services may be averted by the possibility of re negotiating the SLA with BDHT for the management of the homeless hostels when three are fully de-commissioned.

9. LEGAL IMPLICATIONS

- 9.1 At the present time, there would be no legal issues as the Council already complies with statute. However the schemes would bring 'added value' to our customers.

10. CORPORATE OBJECTIVES

- 6.1 CO1. - 3 Housing.
CO3. - 6 and .7
CO4. – 8, 9 nd 10

11. RISK MANAGEMENT

- 11.1 The schemes proposed in the report are designed to reduce the potential cost to the Council of providing temporary accommodation and reduce the risk of not being able to meet its statutory duties to the homeless.

12. CUSTOMER IMPLICATIONS

- 12.1 The schemes detailed in the report are all focused upon the provision of a more efficient and effective advice and support service to customers experiencing homelessness and an enhanced ability by the authority to offer more choice and options in the form of housing solutions available.

13. OTHER IMPLICATIONS

Procurement Issues
None
Personnel Implications
None for BDC
Governance/Performance Management
The impact of the 'Spend to save' and Rent Deposit schemes would be to reduce the length of stay in temporary accommodation and therefore reduce associated expenditure for the Council. It will also contribute to performance improvement and reduce the impact on health for the homeless families.
Community Safety including Section 17 of Crime and Disorder Act 1998
N/A
Policy
The 'Spend to Save' and Rent Deposit schemes would provide a key strand to delivery of our Homelessness Strategy. This would improve the way we both prevent homelessness and aid the early re-housing of statutory homeless as well as potentially saving the Council money.
Environmental
N/A
Equalities and Diversity
N/A

14. **OTHERS CONSULTED ON THE REPORT**

Portfolio Holder	Yes
Acting Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	NO
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	N/A
Head of Organisational Development & HR	N/A
Corporate Procurement Team	N/A

15. **APPENDICES**

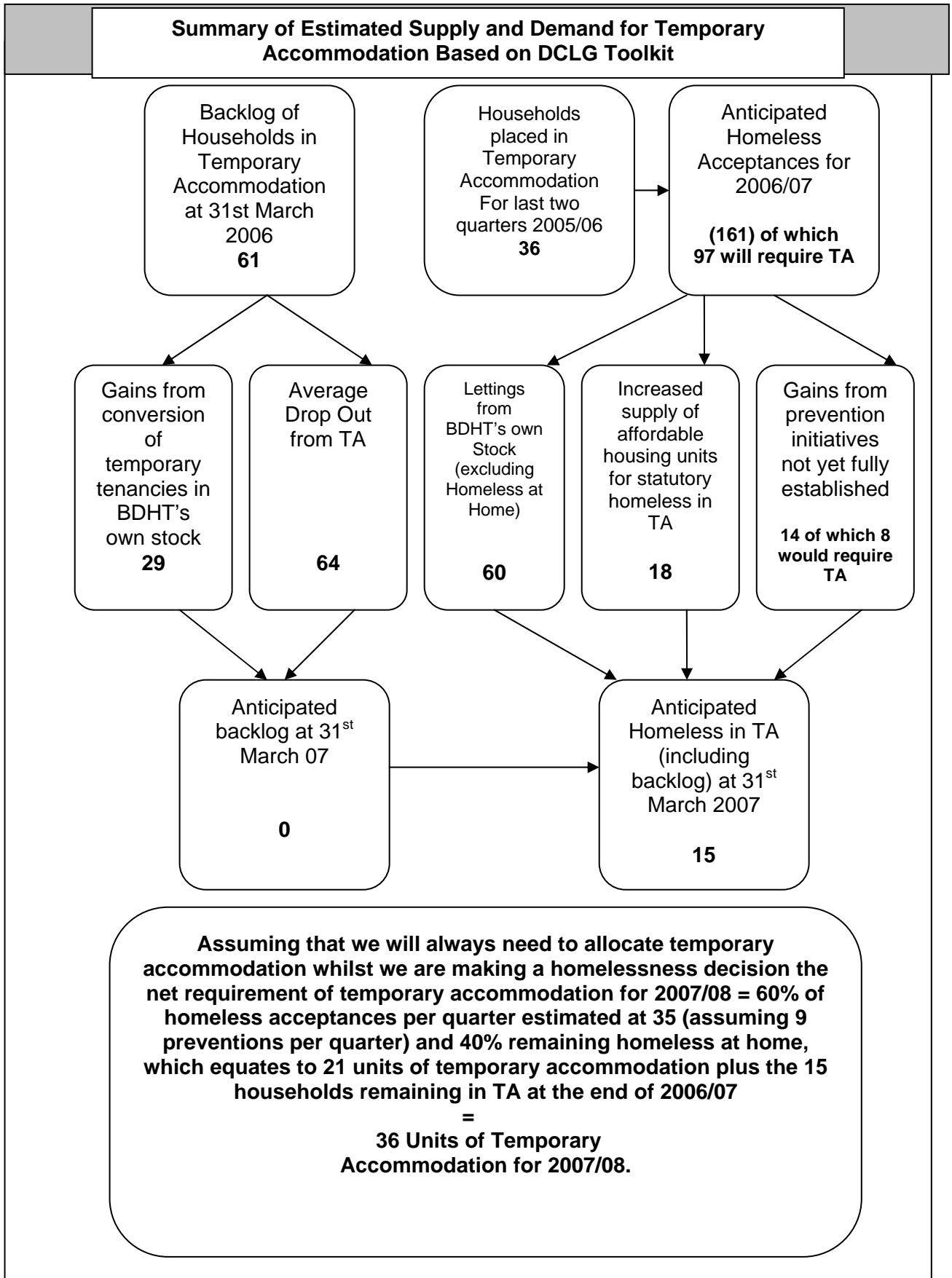
Appendix 1 - Summary of Supply and Demand for Temporary Accommodation as calculated in accordance with The DCLG Toolkit.

16. **BACKGROUND PAPERS**

None

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BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

1ST NOVEMBER 2006

REVENUES AND BENEFITS SHARED SERVICE PROPOSAL

Responsible Portfolio Holder	Councillors Hollingworth and Taylor
Responsible Head of Service	Acting Chief Executive and Head of Financial Services

1. SUMMARY

- 1.1 To consider a proposal for the formation of a Shared Service for the provision of Revenues and Benefits services in Worcestershire.

2. RECOMMENDATION

- 2.1 It is recommended:

2.1.1. that having considered the Detailed Business Case and the comments received from the employees and trade unions, the Executive Cabinet supports the formation of a Shared Service for Revenues and Benefits in view of the improvements in effectiveness and efficiency which the Detailed Business Case establishes will arise;

2.1.2. that, in order to enable a Revenues and Benefits Shared Service to be operated in a manner which will enable further services to be shared amongst the member authorities, the Executive Cabinet agrees under the powers in Section 20 of the Local Government Act 2000, Section 101(5) of the Local Government Act 1972 and the Local Authorities (Arrangements for the Discharge of Functions) (England) (Regulations) 2000 SI 2851, to form a Joint Committee with the Executives of Redditch Borough Council, Wychavon District Council, Wyre Forest District Council, Worcester City Council and Worcestershire County Council and the Council of Malvern Hills District Council to be known as the Worcestershire Shared Services Partnership Joint Committee comprising one member of each of the Executives of Worcester City Council, Bromsgrove District Council, Redditch Borough Council, Wychavon District Council, Wyre Forest District Council and Worcestershire County Council and one member of the Council of Malvern Hills District Council.

2.1.3. That the Worcestershire Shared Service Partnership Joint Committee shall operate on a Shadow basis until 31st March 2007 to enable a detailed agreement establishing a Constitution for the Joint Committee to

be negotiated between the member authorities and approved by their Executives (or in the case of Malvern Hills District Council their Council) with a view to the Joint Committee being operational from 1st April 2007.

- 2.1.4. That, subject to final approval of the agreement relating to the Worcestershire Shared Service Partnership Joint Committee, the Cabinet is minded to delegate to the Joint Committee the functions set out in Appendix 4
- 2.1.5. That Councillor Roger Hollingworth be appointed as the Cabinet's representative on the shadow Joint Committee
- 2.1.6. That the Executive Cabinet endorse the proposal for Wychavon District Council to be host authority for the purposes of the Revenues and Benefits Shared Service Organisation.
- 2.1.7. That, subject to the Worcestershire Shared Services Partnership Joint Committee being established with effect from 1st April 2007, the Council be recommended:
 - (a) to approve the secondment of the staff currently employed by the Council on Revenues and Benefits functions to work on behalf of the Worcestershire Shared Services Partnership Joint Committee, **and** their ultimate transfer of employment to the recommended Host Authority acting on behalf of the Joint Committee in the period up to April 2009, and to the Joint Committee having future responsibility for the terms and conditions of employment of such employees and for future staff appointments including the appointment of a Head of Revenues and Benefits
 - (b) to note that the annual Revenues and Benefits budget for the Joint Committee (both revenue and capital) will require agreement by the Council but the Joint Committee will have delegated power in respect of the approved budget

3. BACKGROUND

- 3.1 In 2004 the Gershon Review into the potential for public sector efficiencies was concluded. Arising from this was the need to make annual efficiency savings. Thus far the Council has made efficiencies in excess of the annual target it has been set. It is likely that the forthcoming white paper will place further emphasis on providing services more efficiently and joining up services between the tiers of local government.
- 3.2 Towards the end of 2004 the Council agreed to look into the feasibility of shared services across a number of service areas. Initially there were seven areas identified:
 - Revenues and Benefits
 - ICT
 - Payroll
 - HR

- Out of Hours
- Licensing
- Procurement

- 3.3 In order to drive the Shared Services agenda forward a Steering Group was formed (constituted along the same lines as that for the Worcestershire Hub) – currently I am this Council's representative on that group.
- 3.4 In addition to the Steering Group a Shared Services Board was established (again along the same lines as the Worcestershire Hub) that involves a member and an officer from each authority. From an officer side I fulfil this function and the members role is undertaken by Councillor Hollingworth although this group hasn't met for a number of months.
- 3.5 Since the Steering Group was formed there has been an eighth work stream added, that of Waste Management – limited work on this has been done to date.
- 3.6 The Steering Group agreed to focus its attention on the development of an outline business case for shared services on Revenues and Benefits and ICT.
- 3.7 In October 2005 the Executive Cabinet received the outline business cases for Revenues and Benefits and for ICT. The Cabinet agreed:
- To do further work with regard Revenues and Benefits
 - Not to pursue, at this moment any further work with regards ICT;
 - Not to pursue at this stage any work on the Worcestershire Hub as a shared service;
- 3.8 In October 2005 a Project Board was established to take forward the work required to produce a detailed business case for Revenues and Benefits – this was basically made up of the Shared Services Steering Group. The Project Board has been chaired by Patrick Birch of Worcestershire County Council as an impartial third party. All attention with regard to shared services has been concentrated since October 2005 on producing a detailed business case for Revenues and Benefits.
- 3.9 External assistance for the production of the business case was provided by PWC. This work was funded by each of the Councils (BDC contributed £20,000 from the 2005/06 revenue budget). Officers from Bromsgrove District Council have been key players in the formulation of the business case. An executive summary is attached at Appendix 1.

4. DETAILED BUSINESS CASE FOR REVENUES AND BENEFITS

Service Improvements

- 4.1 The proposal that has been developed for Revenues and Benefits has the potential to achieve performance standards that are better than the best in the county and among the best in the country. It will be possible to achieve:
- Quicker processing of benefit claims (less than 20 days on average)
 - Improved accuracy of transactions (over 99% right first time)

- Improved revenue collection rates (Council Tax at least 98.6%, Business Rates at least 99.5%)
- Greater access to Revenues and Benefits Services and improved customer focus through the Worcestershire Hub
- Increased take up of self-service, for example, on-line transactions
- Greater resolution of enquiries at first point of contact
- Improved quality of response on specialist and technical issues through the concentration of knowledge and expertise in one place.

Financial implications

4.2 The proposal indicates that it is possible to achieve this scale of service improvement and at the same time reduce costs, including:

- Operational savings of at least £1.681 million per annum against current costs when the new arrangements are fully operational from April 2010.
- A reduction in expenditure of £8.3m over the first 10 years, after allowing for:
 - £3.5m of investment in the Worcestershire Hub
 - £3m capital investment in new and improved ICT
 - £1.9m of transformation resource to support the required working practices
- Financial savings to each of the district councils from year 4 onwards of at least £186k per annum. This equates to at least an 11.6% saving against each of the District Council's current budgets as represented in the chart and table below. For Bromsgrove there is an anticipated annual saving (from year 4 onwards) of £232,000 (before investment requirements) which represents 15.3% of the current budget.

The above figures are based on all district councils signing up to the shared services organisation and that Wychavon District Council host it (although this has yet to be decided). The hosting arrangements are covered later in the report.

4.3 The financial impact on the Council of the Shared Service proposal over the 10 year period is as follows:

Year	Operational savings (revenue)	Investment requirements (capital)	Net	Residual support service costs	Net (including residual support service costs)
0	£13,770	£5,082	£18,852	0	£18,852
1	£42,683	£114,350	£157,033	0	£157,033
2	£105,800	£156,913	£262,713	£119,837	£382,550
3	(£141,995)	£11,435	(£130,560)	£269,632	£139,072
4	(£227,989)	£26,682	(£201,307)	£299,591	£98,284
5	(£231,642)	£20,329	(£211,313)	£299,591	£88,278
6	(£231,642)	£7,623	(£224,018)	£299,591	£75,573
7	(£231,642)	£26,682	(£204,960)	£299,591	£94,631
8	(£231,642)	£3,812	(£227,830)	£299,591	£71,761

9	(£231,642)	£7,623	(£224,018)	£299,591	£75,573
10	(£231,642)	£0	(£231,642)	£299,591	£67,949
Total	(£1,597,581)	£380,531	(£1,217,050)	£2,486,606	£1,269,556

Further detail for Bromsgrove is provided at Appendix 5.

- 4.4 As can be seen from the above the detailed business case assumes that after four years it will be possible for each of the District Councils to take out of its budget 75% of its “residual support costs” i.e. 75% of the actual support service costs that are currently charged to its revenues and benefits service. For BDC this equates to £300,000. It is envisaged that other support services will have to be investigated with regard to shared services to enable these costs to be saved.
- 4.5 The Council currently has included within its approved capital programme £400,000 for a replacement Revenues and Benefits system. If the council were to proceed with the SSO this would not need to be replaced as the SSO would undertake this exercise and thus the capital investment detailed above is already, in effect, taken account of within the Council’s budget although there will be some costs associated with renewing the licence for 12 months until the SSO comes into effect. This improves the financial viability of the business case.
- 4.6 If the Council decided to go ahead with the proposals the savings required to fund the costs in the first three years will have to be factored into the medium term financial plan although it is assumed that the Council can “borrow” the funds to set up this enterprise – the costs of the interest having been factored into the business case.
- 4.7 In addition it is felt likely that the Government would provide substantial financial support to this project as it would be the forerunner for projects of this nature and this would further improve the financial viability of the business case.

Staffing Implications

- 4.8 The staffing implications are detailed in the Executive Summary (Appendix 1) and the Detailed Business Case (Appendix 2). The proposals in summary are as follows:
- Centrally located management structure with an overall Head of Service and individual service managers for Revenues, Recovery, Benefits, Fraud and Control and Monitoring.
 - A tier of middle managers and team leaders will be responsible for day-to-day management of individual teams and provide technical expertise and support to staff.
 - Specialist, ‘centrally located’ teams will be created for:
 - Business rates
 - Benefit appeals
 - Debt recovery
 - Management of Benefit Fraud investigations, including interventions
 - Systems administration, training, performance monitoring and reporting.
 - Head of Service position to be advertised nationally, although it should be noted that the Unions have already stated their objection to this.

- Other management / team leader posts to be advertised internally and initial consideration given to existing Revenues and Benefits staff.
- All other staff will initially be seconded to the recommended host authority and therefore existing pay and terms and conditions of service will remain unchanged i.e. as per those under their employment contract with Bromsgrove District Council.
- The longer-term intention will be to TUPE transfer all SSO employees to the recommended host authority after this initial period of secondment.
- The SSO employment model suggests an overall net reduction of 47 FTEs: -
 - The shared management enables the number of senior managers to reduce from 9 to 6 (including the Head of Service appointment).
 - The simplified, streamlined, standardised and automated processes enable the number of revenues and benefits staff to reduce from 253 to 195 (FTE).
 - These staffing reductions are partly offset by a requirement for 14 additional staff in the Worcestershire Hub to deliver the improved consistent customer interface of the new revenues and benefits service.

4.9 The overall reduction in staff numbers will be handled very sensitively and with careful management. There is strong evidence to suggest that the need for redundancies will be negligible or none at all:-

4.10 To implement the change effectively and to avoid “performance dip” during the “transitional period” the reductions in staffing levels will not happen immediately but gradually over the first two years.

4.11 The existing staff numbers already include 20 staff on agency or temporary contracts (across all 6 partner council’s). In addition, staff turnover of 8% or around 20 staff per year mean the (anticipated) actual number of permanent staff will be further reduced by the time the staffing reductions are implemented.

4.12 Existing employees who are not appointed to a new post will be transferred to the SSO. For any employee who is not subsequently placed within the SSO, opportunities will be explored for re-deployment to a suitable alternative post in any of the constituent authorities.

4.13 All of the prospective partners entered into formal consultation with the affected staff and Unions on 13th September up until 20th October 2006. Feedback has been received from the Unions and the Revenues and Benefits Managers within the County. This is attached at Appendix 6 and 7 respectively. At the time of writing this report these comments had not been formally considered by the Project Board – this will be provided orally at the meeting.

5. HOSTING ARRANGEMENTS

5.1 As mentioned above the detailed business case is based upon the assumption that Wychavon District Council are the host authority and as such provide all support services to the Shared Services Organisation. The criteria to decide which authority should host are:

- Willingness to provide

- Capability
- Location
- Financial capacity
- Cost (of accommodation)
- ICT quality and robustness
- Support Services

- 5.2 It may seem to be unwise for Bromsgrove to propose hosting the Shared Service Organisation due to its need to focus on getting out of engagement however it was felt that there is sufficient funds within the business cases to increase the resources available to deliver the SSO. In addition it is felt that this would supplement the work that is required with regard to revenues and benefits and organisational change that is required to get us out of engagement.
- 5.3 The Project Board considered submissions by all 6 district councils, although it has to be said that the only “serious” bids were from Wychavon and Bromsgrove. The Project Board have considered the submissions by each Council and recommend that Wychavon District Council be host authority for the purposes of the Revenues and Benefits Shared Service Organisation. The main justification for the decision being the capacity that exists within Wychavon is greater than that which exists within Bromsgrove and the Council has a better track record – “good CPA rating”. It is therefore recommended that Wychavon are endorsed as host authority.
- 5.4 Although it is disappointing that the Project Board have not accepted Bromsgrove’s bid then it is still felt that the Council should consider the merits of the business case as this will demonstrate to the Government Monitoring Board and all partners that the Council will work in partnership with other agencies.

6. CONCLUSION

- 6.1 The detailed business case demonstrates clearly that:
- it is possible to achieve significant service improvements and cost reductions
 - that the new operation will continue to have a ‘local presence’ in each district through the Worcestershire Hub and some SSO staff working locally in a ‘mobile and flexible’ way
 - the benefits of this new Revenues and Benefits service can be shared by all District Councils.
- 6.2 The figures contained within this report are a cautious assessment of the benefits. If Councils commit to this initiative, the significant investment included within the proposal will enable the partnership to secure further improvements:
- additional improvements and cost reductions in the Revenues and Benefits service
 - service improvements and cost reductions in other council services arising from the improved operation of the Worcestershire Hub
 - the option to pursue further Shared Service opportunities in ICT and other support services

- if successful, the opportunity to engage with other organisations beyond Worcestershire and increase the scale of the business and secure further service improvement and cash savings.

6.3 This proposal is an affordable first step on a journey that could deliver significant service improvements and cost savings and it is therefore recommended that the Executive Cabinet supports the formation of a Shared Service for Revenues and Benefits in view of the improvements in effectiveness and efficiency which the Detailed Business Case establishes will arise.

7. FINANCIAL IMPLICATIONS

7.1 Included in the above

8. LEGAL IMPLICATIONS

8.1 It is proposed that the SSO is operated under a Joint Committee arrangement. Appendix 4 details the functions delegated to a Joint Committee. In order to establish a joint committee the Executive Cabinet needs to agree under the powers in Section 20 of the Local Government Act 2000, Section 101(5) of the Local Government Act 1972 and the Local Authorities (Arrangements for the Discharge of Functions) (England) (Regulations) 2000 SI 2851, to form a Joint Committee with the Executives of the other councils concerned to be known as the Worcestershire Shared Services Partnership Joint Committee.

9. CORPORATE OBJECTIVES

9.1 The proposal supports the Councils Performance objective particularly with regard to performance and efficiency.

10. RISK MANAGEMENT

10.1 The business case provides a detailed risk assessment of the proposals.

10.2 If the Council decide that the business case is robust but, as a result of not being selected as the host authority, decide not to pursue the proposal then the risks are:

- Intervention (inability to work with partners)
- Poor reputation and image of the Council (with other partners and external agencies) and limited ability to address issues of enhanced two tier working that are expected to feature in forthcoming white paper
- Impact on medium term financial plan – long term there are significant financial savings to be made – if this is not taken forward then these will have to be found from elsewhere which will impact on services that can be provided to the community

11. CUSTOMER IMPLICATIONS

11.1 The business case details the impact on the customer and the improvements that they will receive as a result of pursuing the shared service operation.

- 11.2 Due to the magnitude of the proposals and the impact on staff the Council has entered into a formal consultation process with employees which concluded on 20th October 2006. Any feedback from this consultation will be reported orally to the meeting.

9. OTHER IMPLICATIONS

Procurement Issues
None
Personnel Implications
Included above and within the overall business case
Governance/Performance Management
The proposed shared service organisation seeks to ensure that performance levels improve for all districts.
Included within the detailed business case are significant funds to ensure that if the Councils decide to go ahead with the proposals that performance levels will not drop during the transition period.
Community Safety including Section 17 of Crime and Disorder Act 1998
None
Policy
None
Environmental
None
Equalities and Diversity
None

10. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Acting Chief Executive	Yes
Corporate Director (Services)	No
Assistant Chief Executive	No

Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	No

11. **APPENDICES**

- Appendix 1 Worcestershire Shared Services – Business Case for a Shared Revenue and Benefits Service in Worcestershire – Executive Summary
- Appendix 2 Worcestershire Councils Revenues & Benefits Shared Services Business Case
- Appendix 3 Frequently Asked Questions
- Appendix 4 Functions delegated to the Joint Committee
- Appendix 5 Bromsgrove District Council financial summary
- Appendix 6 Union feedback on proposals
- Appendix 7 Revenues and Benefits Managers feedback on proposals

12. **BACKGROUND PAPERS**

Shared Services Project Board Minutes and supporting reports

CONTACT OFFICER

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E Mail: k.dicks@bromsgrove.gov.uk
Tel: (01527) 881487

BROMSGROVE DISTRICT COUNCIL**EXECUTIVE CABINET****1ST NOVEMBER 2006****REVENUES AND BENEFITS SHARED SERVICE PROPOSAL****Financial implications updated**

4.1 The proposal indicates that it is possible to achieve this scale of service improvement and at the same time reduce costs, including:

- Operational savings of at least £1.681 million per annum against current costs when the new arrangements are fully operational from April 2010.
- A reduction in expenditure of £8.3m over the first 10 years, after allowing for:
 - £3.5m of investment in the Worcestershire Hub
 - £3m capital investment in new and improved ICT
 - £1.9m of transformation resource to support the required working practices
- Financial savings to each of the district councils from year 4 onwards of at least £186k per annum. This equates to at least an 11.6% saving against each of the District Council's current budgets as represented in the chart and table below. For Bromsgrove there is an anticipated annual saving (from year 4 onwards) of £232,000 (before investment requirements) which represents 15.3% of the current budget.

The above figures are based on all district councils signing up to the shared services organisation and that Wychavon District Council host it. The hosting arrangements are covered later in the report.

4.2 The financial impact on the Council's revenue budget of the Shared Service proposal over the 10 year period is as follows:

Year	Operational savings (revenue)	Income from SSO	Net	Residual support service costs	Net (including residual support service costs)
0	£13,770	0	£13,770	0	£13,770
1	£42,683	(£339,537)	(£296,854)	£399,455	£102,601
2	£105,800	(£279,619)	(£173,819)	£399,455	£225,637
3	(£141,995)	(£129,823)	(£271,818)	£399,455	£127,637
4	(£227,989)	(£99,864)	(£327,853)	£399,455	£71,602
5	(£231,642)	(£99,864)	(£331,506)	£399,455	£67,949
6	(£231,642)	(£99,864)	(£331,506)	£399,455	£67,949
7	(£231,642)	(£99,864)	(£331,506)	£399,455	£67,949
8	(£231,642)	(£99,864)	(£331,506)	£399,455	£67,949

9	(£231,642)	(£99,864)	(£331,506)	£399,455	£67,949
10	(£231,642)	(£99,864)	(£331,506)	£399,455	£67,949
Total	(£1,597,583)	(£1,448,024)	(£3,045,607)	£3,994,550	£948,943

Further detail for Bromsgrove is provided at Appendix 5.

- 4.3 As can be seen from the detailed business case the Council will make operational savings of £231,642 from year 4 onwards however because of the need to incur transitional costs to enable the change in years 1 and 2 there will be an additional cost to the Council of £42,683 and £105,800 respectively.
- 4.4 This impact will be offset by the fact that the Shared Service Organisation (SSO) will pay each council a proportion (on a sliding scale) of its residual support service costs (the actual support service costs that are currently charged to its revenues and benefits service but will not be chargeable to the SSO). In year 1 this equates to £339,537 reducing to £99,864 from year 4 onwards. Overall over the course of the 10 years the Council will make a saving of over £3m.
- 4.5 Obviously these costs are indicative as they are dependant on a number of issues; the number of partners who sign up, start date etc.
- 4.6 The detailed business case assumes that after four years it will be possible for each of the District Councils to take out of its budget 75% of its “residual support costs”. In table 1 the impact of not being able to drive out any of these costs is shown (to give a worst case scenario) and in order to show the importance of addressing the issue. In order to make this level of saving it is envisaged that other shared services will have to be investigated with regard to support services.
- 4.7 In addition to the revenue impact capital investment is required to make the business case a reality. If it was assumed that we couldn’t save any residual support service costs then the proposal is not feasible, however if we save all of the residual support service costs then overall the Council would save £2.665m (including capital investment).

Year	Net (including residual support service costs)	Investment requirements (capital)	Net
0	£13,770	£5,082	£18,852
1	£102,601	£114,350	£216,951
2	£225,637	£156,913	£382,550
3	£127,637	£11,435	£139,072
4	£71,602	£26,682	£98,284
5	£67,949	£20,329	£88,278
6	£67,949	£7,623	£75,572
7	£67,949	£26,682	£94,631
8	£67,949	£3,812	£71,761

9	£67,949	£7,623	£75,572
10	£67,949	£0	£67,949
Total	£948,943	£380,531	£1,329,474

- 4.8 The Council currently has included within its approved capital programme £400,000 for a replacement Revenues and Benefits system. If the council were to proceed with the SSO this would not need to be replaced as the SSO would undertake this exercise and thus the capital investment detailed above is already, in effect, taken account of within the Council's budget although there will be some costs associated with renewing the licence for 12 months until the SSO comes into effect. This improves the financial viability of the business case.
- 4.9 In addition it is felt likely that the Government would provide substantial financial support to this project as it would be the forerunner for projects of this nature and this would further improve the financial viability of the business case.
- 4.10 On the basis of the financial savings detailed above it is recommended that the Cabinet endorse the proposals.

Worcestershire Shared Services

Business Case for a Shared Revenues and Benefits Service in Worcestershire

Executive Summary

13 September 2006

Prepared by.....

Shared Services – Revenues and Benefits Project Board

Executive Summary

This document proposes a Shared Revenues and Benefits Service in Worcestershire that delivers improvements in service for our customers and benefits for all authorities.

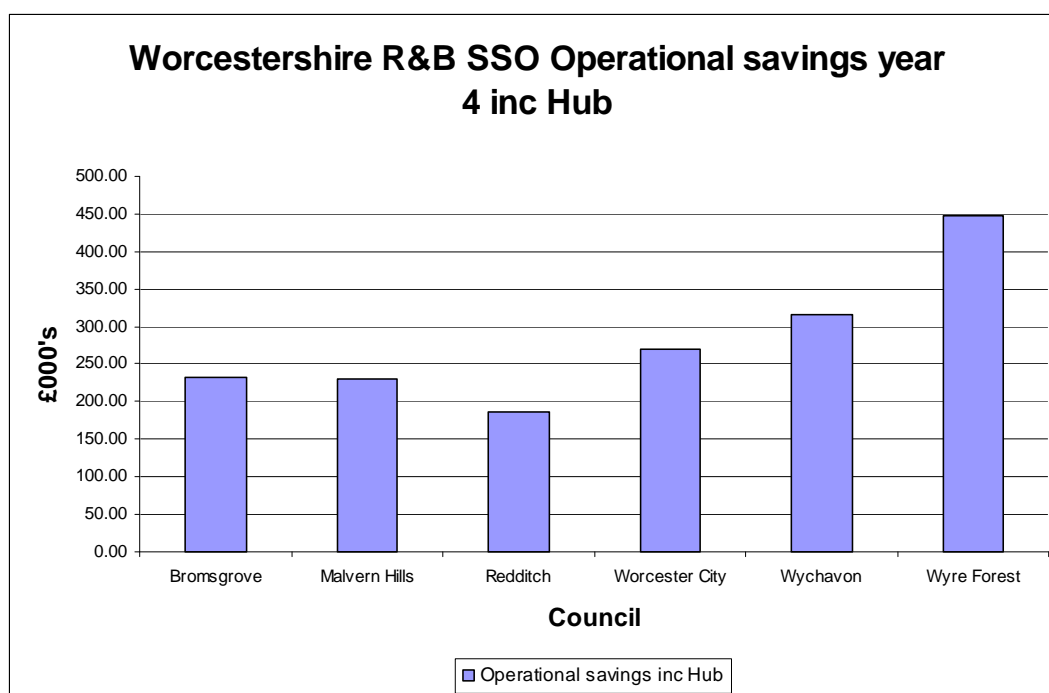
Key benefits of the proposals

Service Improvements

1. The proposal that has been developed for Revenues and Benefits has the potential to achieve performance standards that are better than the best in the county and among the best in the country. It will be possible to achieve:
 - Quicker processing of benefit claims (less than 20 days on average)
 - Improved accuracy of transactions (over 99% right first time)
 - Improved revenue collection rates (Council Tax at least 98.6%, Business Rates at least 99.5%)
 - Greater access to Revenues and Benefits Services and improved customer focus through the Worcestershire Hub
 - Increased take up of self-service, for example, on-line transactions
 - Greater resolution of enquiries at first point of contact
 - Improved quality of response on specialist and technical issues through the concentration of knowledge and expertise in one place.

Cost Savings

2. The proposal indicates that it is possible to achieve this scale of service improvement and at the same time reduce costs, including....
 - Operational savings of at least £1.681 million per annum against current costs when the new arrangements are fully operational from April 2010.
 - A reduction in expenditure of £8.3m over the first 10 years, after allowing for:
 - £3.5m of investment in the Worcestershire Hub
 - £3m capital investment in new and improved ICT
 - £1.9m of transformation resource to support the required working practices
 - Financial savings to each of the district councils from year 4 onwards of at least £186k per annum. This equates to at least an 11.6% saving against each of the District Council's current budgets as represented in the chart and table below.



Savings % All figures in £000's	Bromsgrove	Malvern Hills	Redditch	Worcester	Wychavon	Wyre Forest
Current budget per annum	1,510	1,328	1,413	2,320	1,997	2,154
Operational savings (exc Hub) year 4 onwards	(258)	(256)	(291)	(374)	(420)	(447)
Saving as a % of current budget	17.1%	19.3%	20.6%	16.1%	21.0%	20.8%
Operational savings (inc Hub) year 4 onwards	(232)	(230)	(187)	(270)	(316)	(447)
Saving as a % of current budget	15.3%	17.3%	13.2%	11.6%	15.8%	20.8%

3. In addition the new Shared Service will have the capability to deliver further improvements and cash reductions. The partner councils will agree year-on-year improvement targets with the Shared Service to realise these extra benefits which will be additional to the service improvements and cost reductions referred to here.
4. This combination of service improvements and cash saving is possible because:
 - the proposal makes the optimum use of the Worcestershire Hub.
 - the new operation is based on simplified, streamlined, standardised and automated processes that enable consistent, high quality service delivery.
 - the partner councils are working together as a Shared Service; all adopting the same high quality ways of working and sharing the management, the expertise and the investment cost required to achieve this high performance organisation.

The proposal

5. The proposal relates to all Revenues and Benefits functions including Council Tax, Housing and Council Tax Benefits, Business Rates and related support functions. It will also enable effective integration with other related initiatives, for example, it will expand on the Third Age Joint Team Services, which is already providing a holistic financial and benefit service in customers homes, on behalf of the District Councils, the County Council and the Department for Work and Pensions.
6. The proposal that has been developed includes:
 - a. "The Worcestershire Hub at the Heart". The Worcestershire Hub provides the customer interface for a wide range of services including Revenues and Benefits services. The Worcestershire Hub provides multi-service, multi-partner, multi-channel access. As well as providing access by telephone and

online, it also provides a local presence where customers can make contact in person. We are planning to make optimum use of the Worcestershire Hub and this will include some additional staffing, the cost of which has been taken into account. Critically, the plan includes delivering a consistent level of service across the county and across all channels

- b. A Shared Service Organisation (SSO) which includes single management, specialist services and common processes with as much “automation” as possible to ensure efficient operations.
- c. An approach built upon a clear commitment to mobile and flexible working; staff who visit people’s homes will be supported by mobile technology, some staff will be able to work at home and there will be either local office spaces and / or touch points in each of the district councils which staff from the Shared Service Organisation will be able to use when required.
- d. Delivery of service improvements and efficiencies arising from the streamlining of business processes and investment in technology.

7. Diagrams outlining how this will operate are detailed below:-

Fig. 1 – Customer Interface

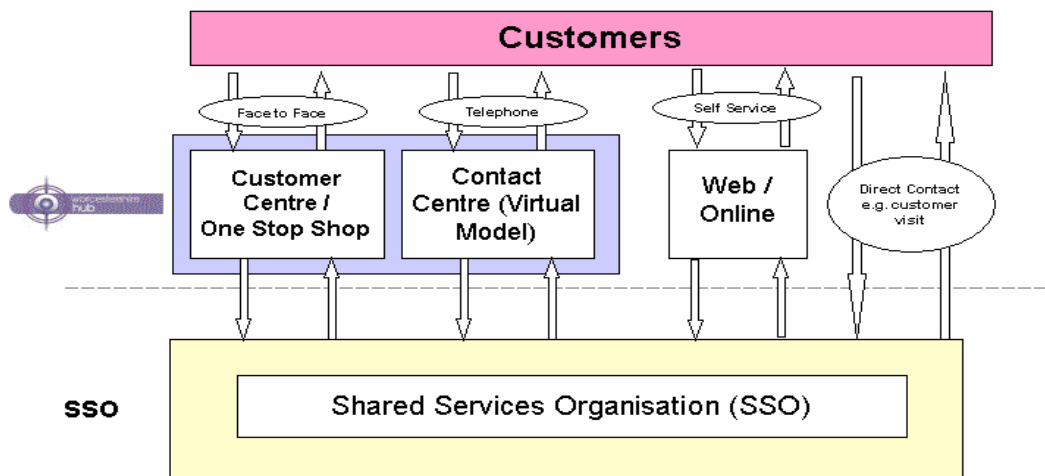
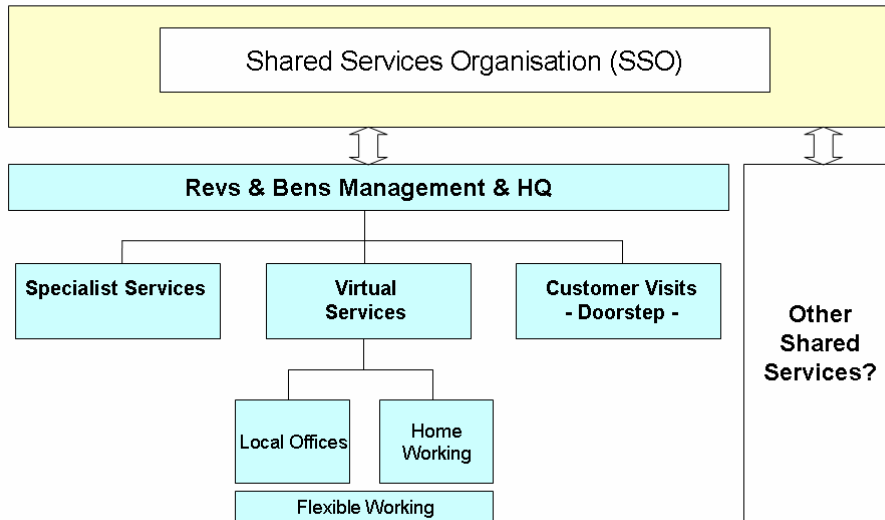


Fig. 2 – The Shared Services Organisation (SSO)

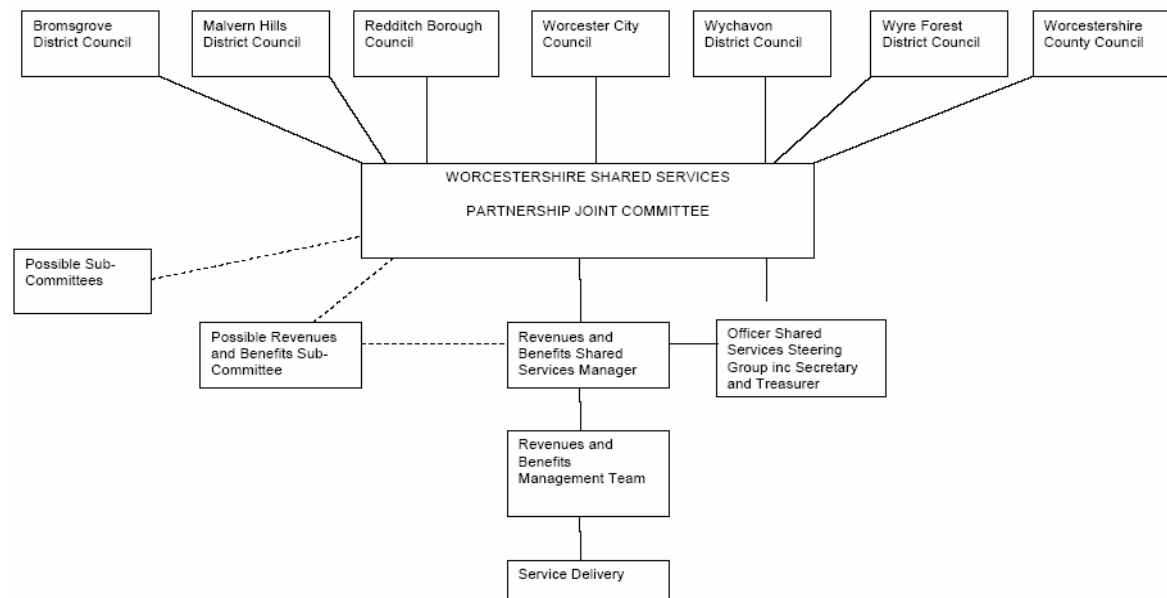


8. For this proposal to be effective it is essential that the Worcestershire Hub operates consistently across the whole county. This includes:
 - each council making the same "optimum" use of the Hub for Revenues and Benefits Services
 - a "single interface" between the Hub and a single Revenues and Benefits process and system
 - a single set of "web content" for Revenues and Benefits.
 - a single set of service level agreements in place between the Worcestershire Hub and the Shared Service
 - consistent, high quality performance of all of the Hub centres
 - a complete customer record across a range of services

9. Single shared management of the Revenues and Benefits Services is also essential as this provides:
 - clarity and a single direction – the drive to make it happen
 - greater opportunity for process re-engineering
 - robust and sustainable support processes
 - economies of scale
 - single governance arrangements and points of accountability
 - greater flexibility
 - greater resilience
 - single interface with the Hub
 - consistent and standard level of service
 - greater opportunities for staff development
 - management and control of a single set of web content
 - ability to release resources for priority actions
 - realisation of benefits through standardisation
 - end-to-end customer focused and efficient processes

Governance arrangements

10. The proposal establishes a joint committee of elected Members to provide strategic direction, overview and accountability for the Shared Service Organisation (SSO). The proposal includes one Member representative for each council including the County Council. The way it works is set out in the organisational structure chart below:-



11. Within this model

- Members would agree overall policy and an annual business plan including key performance measures and monitor the performance of the operation through regular “Board Meetings”. This provides the benefit of clear democratic accountability and avoids difficulties that could arise if the organisation was seen as operating “behind closed doors”.
- The structure shows a Worcestershire Shared Services Partnership Joint Committee, which may have a Revenues and Benefits Sub-Committee reporting to it as and when (and if) more shared services are developed/delivered.
- The SSO will not be established as a separate legal entity and therefore will not have the authority to employ staff. Instead, that role will be undertaken by a host authority. The host council will (over time) employ the staff affected through a TUPE transfer.
- The Joint Committee proposal is not a contractual arrangement between the Joint Committee proposal and the individual authorities, but rather a delegation of functions from the individual district councils to the Joint Committee.

Management and Staffing Arrangements

12. The centrally located management structure will have an overall Head of Service and individual service managers for Revenues, Recovery, Benefits, Fraud and Control and Monitoring. A tier of middle managers and team leaders will be responsible for day-to-day management of individual teams and provide technical expertise and support to staff. Specialist, ‘centrally located’ teams will be created for:

- Business rates
- Benefit appeals
- Debt recovery
- Management of Benefit Fraud investigations, including interventions
- Systems administration, training, performance monitoring and reporting.

13. The Head of Service position will be advertised nationally and the appointment made to a Host Authority. Other management / team leader posts will be advertised internally and initial consideration given to existing Revenues and Benefits staff. Where possible staff will be directly allocated to new SSO posts.
14. All other staff will initially be seconded to the host authority and therefore existing pay and terms and conditions of service will remain unchanged. This will initially lead to inconsistencies in pay and terms and conditions within the SSO. The longer-term intention will be to TUPE transfer all SSO employees to the host authority after this initial secondment.
15. The SSO employment model suggests an overall net reduction of 47 FTEs: -
 - The shared management enables the number of senior managers to reduce from 9 to 6.
 - The simplified, streamlined, standardised and automated processes enable the number of revenues and benefits staff to reduce from 253 to 195 (FTE).
 - These staffing reductions are partly offset by a requirement for 14 additional staff in the Worcestershire Hub to deliver the improved consistent customer interface of the new revenues and benefits service.
16. The overall reduction in staff numbers will be handled very sensitively and with careful management. There is strong evidence to suggest that the need for redundancies will be negligible or none at all:-
 - To implement the change effectively and to avoid “performance dip” during the “transitional period” the reductions in staffing levels will not happen immediately but gradually over the first two years.
 - The existing staff numbers already include 20 staff on agency or temporary contracts. In addition staff turnover of 8% or around 20 staff per year mean the actual number of permanent staff will be further reduced by the time the staffing reductions are implemented.
 - Existing employees who are not appointed to a new post will be transferred to the SSO. For any employee who is not subsequently placed within the SSO, opportunities will be explored for re-deployment to a suitable alternative post in any of the constituent authorities.
17. There have been initial discussions with full-time Trade Union officers on a consultation process. Consultation with Trade Unions and staff will take place and the arrangements will build on the consultative model used during the creation of the Worcestershire Hub.

ICT

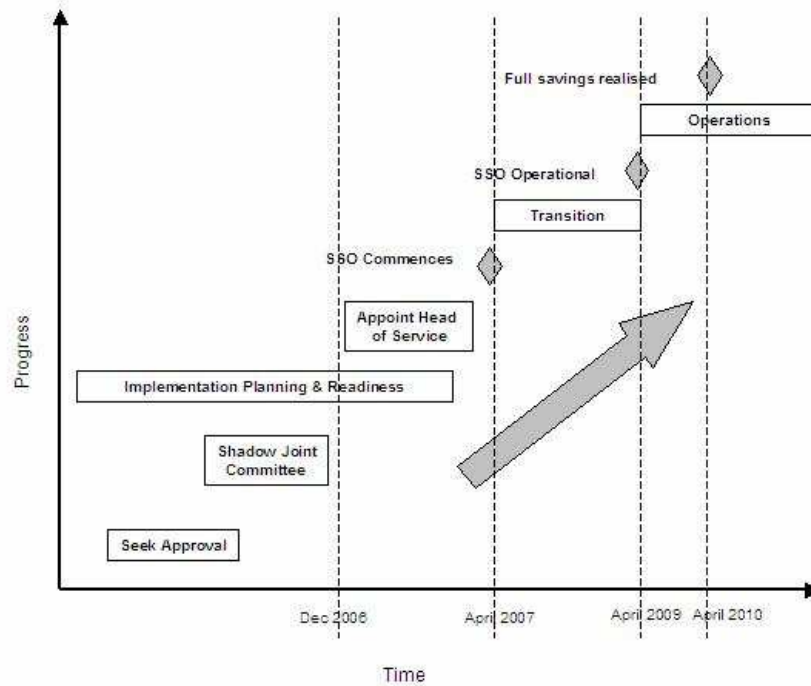
18. ICT Services will be crucial to the success of the Shared Revenues and Benefits Service. The proposal includes:-
 - £0.5m of revenue savings arising from the use of a single Revenues and Benefits IT system. This costing takes account of “single support” arrangements and the use of the existing countywide ICT network already developed for use by the County Council and the Worcestershire Hub.
 - £3m upfront investment in a new ICT system, including integration with the Worcestershire Hub, as well as an ICT infrastructure that supports mobile and flexible working. This investment underpins many of the service improvements and operational efficiencies contained within this proposal.

Resource implications

19. As stated in paragraph 2, the business case identifies on-going operational revenue savings of at least £1.681 million per annum (recurring from year 4). This includes £0.6m savings from Revenues and Benefits staffing (after taking into account the requirements of additional Hub staff) and £1m savings on support service costs.
20. The estimates of resource implications and the detailed business case are cautious. For example: -
- The achievement of the reduced staffing levels has been assumed to be quite slow to ensure that the performance “dip” is avoided and that the implementation is successful.
 - The business case includes the cost of Hub development and ICT investment which many of the partner councils would have faced anyway.
 - No account is taken of additional “efficiency improvements” that the Shared Service organisation will be capable of achieving once it is up and running.
21. To set against “this cautious approach” it is important to be aware of the following financial risks:-
- The detailed business case assumes that after four years it will be possible for each of the District Councils to take out of its budget 75% of its “residual support costs” i.e. 75% of the actual support service costs that are currently charged to its revenues and benefits service.
 - The figures quoted above also assume that all six of the district councils commit to the Revenues and Benefits Shared Service. For each council that does not commit, it is estimated that the benefit to each remaining council reduces on average by £30k per annum. To assess the impact for an individual authority, £30k per annum per authority could be taken from the benefits quoted in the table in paragraph 2.
22. The detailed business case also specifies an approach on complex accounting issues including the accounting for existing support costs and the sharing of future Shared Service costs. The financial model that has been developed is based on a share of the “benefits”. This approach acknowledges that each authority begins with varying levels of existing infrastructure and different cost basis. It ensures that the benefits of the new way of working are shared fairly across all of the districts, meeting the objective that each council must benefit from the Shared Service.

Timescales

23. The plan can be summarised as follows:



24. This shows the overall journey to establish and operate the Shared Service. It is recommended that a "Shadow" Joint Committee be established as soon as possible following approval, in order to oversee the implementation and development of the Shared Service.
25. It is proposed to appoint to the most senior post in the first part of 2007 and establish the Shared Service arrangements from 1 April. There is clearly a considerable amount of work to do to make the Shared Service fully operational and the current model indicates a two-year period for this.
26. Once operational, the benefits of service improvements and cost savings will start to be realised.

Communications

27. The development of the Detailed Business Case has involved staff representation from all partner councils in the following areas; Revenues and Benefits, ICT, Worcestershire Hub, Finance and HR.
28. The Detailed Business Case includes the proposed communications strategy and arrangements for consultation with staff and trade unions. The objectives of this include:
- Provision of a consistent message regarding the Shared Service.
 - Ensuring stakeholders have a good understanding of the vision and plans

- Providing opportunities for two-way communications with various stakeholder groups.
- Providing adequate and timely information that raises awareness and involvement
- Involving stakeholders in the planning and implementation

Risk assessment

29. The key risks along with how these can be mitigated are summarised below. More detail is included in the Detailed Business Case

#	Key Risk	Impact	Mitigation
01	Delay in decisions – a delay in individual councils making a decision	<ul style="list-style-type: none"> • Delay in start date and thus delay in benefits. • Individual authorities may progress individual plans in terms of service and ICT developments. 	Clear plan for getting approval with dates of all cabinets / councils.
02	A “No-Go” decision by any of the individual councils	<ul style="list-style-type: none"> • Potential delays to implementation. • Reduced benefits for other authorities. • Lack of consistency and efficient operations across the Hub. 	
03	Delay in appointment of the right calibre of individual to the senior management post (and further management posts) in the right timeframe is key	<ul style="list-style-type: none"> • Delay in start, leading to a potential delay in benefits being achieved. • Lack of clear leadership. • Performance “dip” may occur. 	<ul style="list-style-type: none"> • Ensure position is positioned well in the market place. • Advertise nationally. • Robust and challenging assessment and selection process
04	Ineffective management and delivery of the change	<ul style="list-style-type: none"> • Staff and other stakeholders not engaged. • Confusion • Performance “dip” during the transition • Benefits not realised 	<ul style="list-style-type: none"> • Business case includes provision for resources to support implementation and transition. These resources must be given clear leadership and be put in place at the earliest opportunity. • Clear communication plan put into action
05	Poor management by each of the authorities during the transitional period including reputation management	Performance “dip” during the transition period.	<ul style="list-style-type: none"> • As above – ensure resources as detailed in the business case are put in place at the earliest opportunity. • Communication with all stakeholders
06	Failure by individual authorities to reduce their residual support service costs	Each authority may not realise the full benefits of this project	Authorities to consider other Shared Service opportunities, e.g. Hub, ICT, HR

Transition and resource planning

30. This will be a very large project involving significant numbers of employees and processes in six organisations, affecting all of the residents and businesses in Worcestershire. The services involved are highly visible, and their performance is constantly under scrutiny both locally and nationally. The partners' "performance journey" over recent years has been one of constant improvement, year-on-year. It is therefore vitally important that the project, and the change programme associated with it, does not interfere with the continuation of this performance journey during the transition period.
31. The Detailed Business Case anticipates the need for substantial investment in dedicated resources for the project. It provides the funding for a whole range of project managers, temporary employees and subject experts to supplement the in-house team of council resources.
32. It is expected that the councils will appoint a dedicated programme manager to drive the shared service implementation forward on a daily basis, overseen by the new manager for the service and the Joint Committee members...
33. The West Midlands Regional Centre of Excellence has awarded the partnership £100k of grant towards the costs over the next six months of project planning and the early stages of implementation. This will be very helpful in ensuring that the partnership is able to make a fast start on the implementation once all of the partners have made their decisions.
34. However the Detailed Business Case identifies that there is likely to be a need for further funding in 2006/07 for additional pre-implementation costs.
35. The change programme associated with this proposal is very large, and a bid is in the course of preparation to the Government Officer for the West Midlands for Capacity Building fund grant to support the costs of the training and awareness-raising programmes that will be needed to ensure corporate ownership and buy-in, and to increase the partners' capacity to support the implementation.

Conclusion

This document proposes a Shared Revenues and Benefits Service in Worcestershire that delivers improvements in service for our customers and benefits for all authorities.

The detailed business case demonstrates clearly that:

- it is possible to achieve significant service improvements and cost reductions
- that the new operation will continue to have a 'local presence' in each district through the Worcestershire Hub and some SSO staff working locally in a 'mobile and flexible' way
- the benefits of this new Revenues and Benefits service can be shared by all District Councils.

The figures contained within this report are a cautious assessment of the benefits. If Councils commit to this initiative, the significant investment included within the proposal will enable the partnership to secure further improvements:

- additional improvements and cost reductions in the Revenues and Benefits service
- service improvements and cost reductions in other council services arising from the improved operation of the Worcestershire Hub
- the option to pursue further Shared Service opportunities in ICT and other support services
- if successful, the opportunity to engage with other organisations beyond Worcestershire and increase the scale of the business and secure further service improvement and cash savings.

This proposal is an affordable first step on a journey that could deliver significant service improvements and cost savings.

Worcestershire Councils Revenues & Benefits Shared Services Business Case

13 September 2006



Version Control

Date	Version	Author	Summary of Changes
21 August 2006	Draft Version 4	Michael Kitts - PWC	First draft issued to Shared Services Revenues & Benefits Project Board
30 August 2006	Draft Version 5	Sian Hibbs - PWC	Various changes primarily to the Financial Summary
31 August 2006	Draft Version 6	Rachel Hill (on behalf of the Project Board)	Editorial, structural and formatting changes based on feedback from the Project Board.
5 Sept 2006	Draft Version 7	Rachel Hill (on behalf of the Project Board)	Editorial, structural and formatting changes based on feedback from the Project Board.
13 Sept 2006	Release 1.0	Project Board	First formal Release of the document

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Foreword

This document proposes a Shared Revenues and Benefits Service in Worcestershire that delivers improvements in Service for our customers and benefits for all Authorities. A proposal has been developed that has the potential to achieve performance standards that are better than the best in the County and among the best in the Country. The proposal indicates that it is possible to achieve this scale of service improvement and at the same time reduce costs.

This combination of service improvements and cash saving is possible because:

- The proposal makes the optimum use of the Worcestershire Hub.
- The new operation is based on simplified, streamlined, standardised and automated processes that enable consistent, high quality service delivery.
- The partner councils are working together as a Shared Service; all adopting the same high quality ways of working and sharing the management, the expertise and the investment cost required to achieve this high performance organisation.

This Business Case outlines the proposal in more detail. It outlines how it will operate, the management and staffing arrangements and the governance arrangements. It also sets out timescales for implementation.

This proposal is an affordable first step on a journey that could deliver significant service improvements and costs savings.

Introduction and background

Background

This document sets out the detailed business case for the creation of a Shared Service for Revenues and Benefits in Worcestershire. It relates to all Revenues and Benefits functions in all six Worcestershire districts including Council Tax, Housing and Council Tax Benefits, Business Rates and related support functions. Subject to approval of this business case, the Shared Service will also enable effective integration with other related initiatives, for example, it will expand upon the Third Age Joint Team Services, which is already providing a holistic financial and benefit service in customers homes, on behalf of the District Councils, the County Council and the Department for Work and Pensions.

This Business Case has been developed with the involvement of staff representatives from all partner councils in Revenues and Benefits, ICT, the Worcestershire Hub, Finance and Human Resources. It builds upon the Outline Business Case (OBC) prepared in 2005.

This business case builds upon the OBC in terms of:

- Refining the service offering in both the Hub and the back office
- Agreeing performance standards and levels
- Defining the governance arrangements, critical to the success of the initiative
- Defining the supporting ICT, accommodation and others support services environments
- More accurate cost/benefit estimations
- Implementation planning and risk assessment

The overriding purpose of this initiative is to deliver better services to the citizens of Worcestershire in the most effective and efficient way.

Scope

The overarching scope of the business case is about building upon the already successful partnership working between the County Council and Districts in the delivery of joined up 'front office' services through the Worcestershire Hub. It sets out to expand the role of the Hub through joint working between the councils in an area that represents a large proportion of the interactions with the councils. The plan is therefore to extend these services to include Council Tax, Housing Benefits and NNDR by delivering more of these services in the front office shared service (the Hub) and more effectively delivering the remainder through a back office shared services facility. The overall intention is to improve customer focus on the one hand and at the same time optimise the less visible elements of the service through simplification, standardisation and sharing.

The scope of the Revenues and Benefits shared service includes the County Council and each of the six district councils in Worcestershire:

- Bromsgrove District Council
- Malvern Hills District Council
- Redditch Borough Council
- Worcester City Council
- Wychavon District Council
- Wyre Forest District Council.

Within these six authorities all of the Revenues and Benefits functions are included – Council Tax, Housing and Council Tax Benefits, Business Rates and related support functions. The project will also enable effective integration with other related initiatives, for example, Third Age Joint Team Services.

Revenues and Benefits services are currently delivered separately by each of the Worcestershire District Councils. The Outline Business Case (OBC) produced in 2005 demonstrated that the creation and operation of a shared Revenues and Benefits service was potentially feasible and viable. This document therefore sets out in more detail the case for establishing a shared Revenues and Benefits service in Worcestershire. In formulating the Business Case the following key deliverables have been considered:

- The vision for a Revenues and Benefits shared service;
- The aims and objectives of the Worcestershire authorities; and
- Identified assumptions and constraints.

Underlying principles

The business case has been developed on the basis of the following:

- “The Worcestershire Hub at the Heart”. The Worcestershire Hub provides the customer interface for a wide range of services including Revenues and Benefits services. The Worcestershire Hub provides multi-service, multi-partner, multi-channel access. As well as providing access by telephone and online, it also provides a local presence where customers can make contact in person. It is envisaged that the Shared Service will make optimum use of the Worcestershire Hub and this will include some additional staffing, the cost of which has been taken into account. Critically, the plan includes delivering a consistent level of service across the county and across all channels.
- A Shared Service Organisation (SSO) which includes single management, specialist services and common processes with as much “automation” as possible to ensure efficient operations.
- An approach built upon a clear commitment to mobile and flexible working; staff who visit people’s homes will be supported by mobile technology, some staff will be able to work at home and there will be either local office spaces and / or touch points in each of the district councils which staff from the Shared Service Organisation (SSO) will be able to use when required.
- Delivery of service improvements and efficiencies arising from the streamlining of business processes and investment in technology.

Preparing the Business Case

In preparing the Business Case the authorities have undertaken the following key tasks:

- Determination of the vision for the service and development of an outline implementation plan to achieve this vision.
- Development and review of various options for the delivery of a Shared Revenues and Benefits Service.
- Review of service delivery to identify innovative and cost effective initiatives that will optimise the service improvements delivered through the Shared Service.
- Regular meetings and workshops of each of the relevant workstreams made up of representatives of each of the constituent district councils and the County Council.
- A review of data including:

- Staff information including current and estimated future requirements
- Key policies in place, e.g. flexible and mobile working and the impact of these on the future operation of a Shared Revenues and Benefits Service.
- Customer access and the approach to customer services, including the determination of the “hand off” points / interface between the Worcestershire Hub and the Revenues and Benefits processing functions.
- Performance targets and achievements as well as the sustainability and improvement of these through the Shared Service.
- Technology arrangements (hardware and software)
- Accommodation and planned changes to accommodation
- Benchmarking with other authorities
- Identification of specialised service areas and how these can be delivered more effectively and efficiently through a Shared Service.

Why shared services?

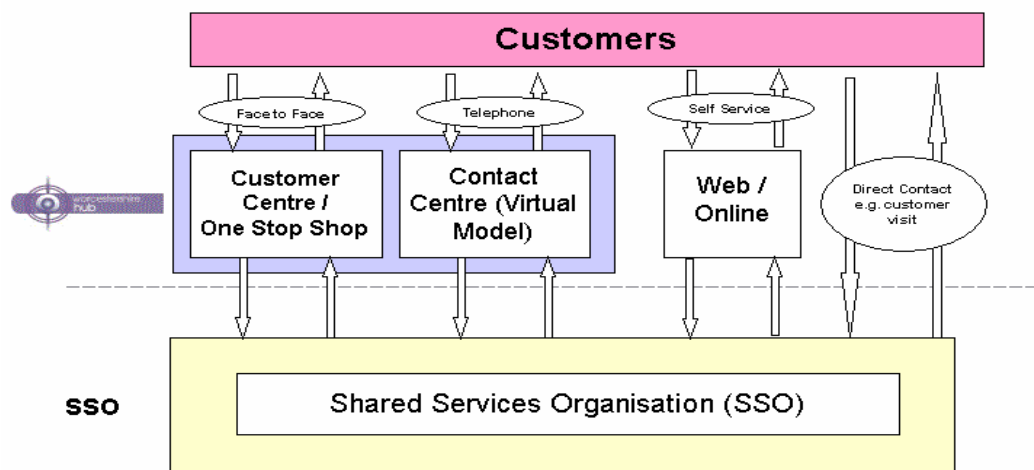
The Business Case has concluded that single shared management of the Revenues and Benefits Services (rather than simple collaborative working) is essential as this provides:

- Clarity and a single direction – the drive to make it happen
- Greater opportunity for process re-engineering
- Robust and sustainable support processes
- Economies of scale
- Single governance arrangements and points of accountability
- Greater flexibility
- Greater resilience
- Single interface with the Worcestershire Hub
- Consistent and standard level of service
- Greater opportunities for staff development
- Management and control of a single set of web content
- Ability to release resources for priority actions
- Realisation of benefits through standardisation
- End-to-end customer focused and efficient processes
- Optimum use of technology to support efficient and effective operations.

Overview of proposals

The following diagrams outline how the Shared Service is envisaged to operate:

Fig. 1 – Customer Interface

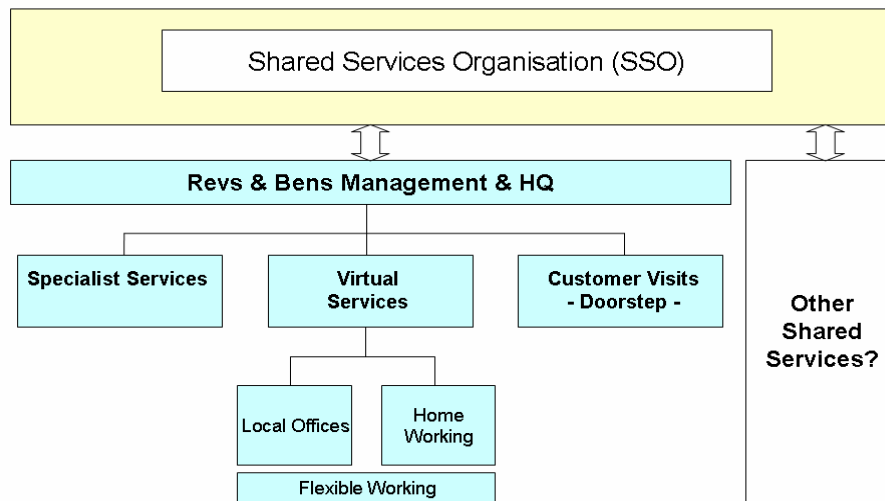


The interface with customers for revenues and benefits enquiries will be through the Worcestershire Hub. The Worcestershire Hub provides for multi-channel access to a range of services. There will be a single interface between the Worcestershire Hub and the Shared Services Organisation (SSO) for Revenues and Benefits enquiries.

For this Shared Service to be effective it is essential that the Worcestershire Hub operates consistently across the whole county. This includes:

- Each council making the same "optimum" use of the Hub for Revenues and Benefits Services
- A "single interface" between the Hub and a single Revenues and Benefits process and system
- A single set of "web content" for Revenues and Benefits.
- A single set of service level agreements in place between the Worcestershire Hub and the Shared Service
- Consistent, high quality performance of all of the Hub centres
- A complete customer record across a range of services

Fig. 2 – The Shared Services Organisation (SSO)



The Shared Services Organisation (SSO) will have a single management headquarters and a number of “satellite” offices. The headquarters also provides for a number of specialist services. In addition visits will be made to customers in their homes. This model makes use of mobile and flexible working arrangements.

Overview, baseline and drivers for change

Introduction

This section sets out:

- The current position in each of the authorities in terms of approach and interaction with the customer, caseload, performance and costs
- The drivers for change
- The criteria or “givens” against which any alternative solution should be assessed
- Principles of a potential future operating model to be tested in the Business Case

The current position

Each authority has a Revenues and Benefits Service which is delivered through in-house employees. There are some variations in access and service across the county and, as the following information demonstrates a variation in the performance of each of the Revenues and Benefits departments can also be seen.

Case loads

The following table shows case loads by authority:

Authority	Case loads			
	Population	Council Tax properties	Business Rate properties	Benefit claims (weighted)*
Bromsgrove DC	90,000	37,899	2,477	10,366
Malvern Hills DC	73,800	32,261	2,509	11,426
Redditch BC	79,200	34,009	2,379	13,111
Worcester City	93,500	41,249	3,079	17,287
Wychavon DC	115,000	50,244	4,156	17,866
Wyre Forest DC	79,800	43,513	3,171	21,178
Total	531,300	239,175	17,771	91,234

* Using DWP weightings by claim type

The table shows the number of domestic and business properties from which taxes are collected in each of the councils. This is a simple measure of case load which does not take account of the level of activity within each area, for example, the proportion of households that change address, however it does illustrate the range in size of the councils. The total number of Council Tax properties is over 239,000 which is more than any single local authority in England apart from Birmingham City.

The benefit claim count shown is the actual number of claims weighted according to claim

type. This is the method used by the DWP to reflect the relative 'difficulty' in dealing with certain types of claims. Again this shows the wide range in caseloads amongst the councils.

Current performance of the Revenues and Benefits services

The following table shows performance by authority:

Authority	Performance Indicators 2005-2006			
	Council Tax collection (%)	Business Rate collection (%)	New Benefit claims (days)	Benefit change of circumstance (days)
National Top Quartile	97.9*	98.8*	27	9
Bromsgrove	98.3	98.7	37	11
Malvern Hills	98.5	99.3	22	8
Redditch	97.4	99.7	36	9
Worcester City	96.8	97.9	47	17
Wychavon	98.2	98.5	27	6
Wyre Forest	98.4	99.2	25	8

* Average for shire districts

This table above shows the performance of each of the councils in 2005-06 against four key indicators, together with the average figure for shire districts for tax collection and the national top quartile results for benefits processing.

The figures show a range of performance levels with a number of councils achieving or bettering the national top quartile mark with others falling below. A shared service will aim to drive up performance across the county and lead to consistency in the customer experience wherever possible.

Current costs

The current cost of delivering the Revenues and Benefits service is £10.720m per annum, this can be broken down by service as follows:

- Housing benefits £6.370m
- Council Tax £3.543m
- NNDR £0.807m

The table below provides a breakdown of the current costs per district:

Current cost in £'s	Total	Bromsgrove	Malvern Hills	Redditch	Worcester	Wychavon	Wyre Forest
Housing Benefits	6,369,872	745,025	820,630	871,270	1,385,145	1,090,912	1,456,890
Council Tax	3,542,736	589,807	456,941	432,670	755,310	693,408	614,600
NNDR	807,552	174,815	49,971	109,320	179,104	212,222	82,120
Total	10,720,160	1,509,647	1,327,542	1,413,260	2,319,559	1,996,542	2,153,610

The customer perspective

There are a number of challenges associated with the way the Worcestershire Hub provides Revenues and Benefits services on behalf of the councils, these include:

- Inconsistent level and quality of service provided across the County.
- Different service provided across channels within the same authority, e.g. in

person and telephone,

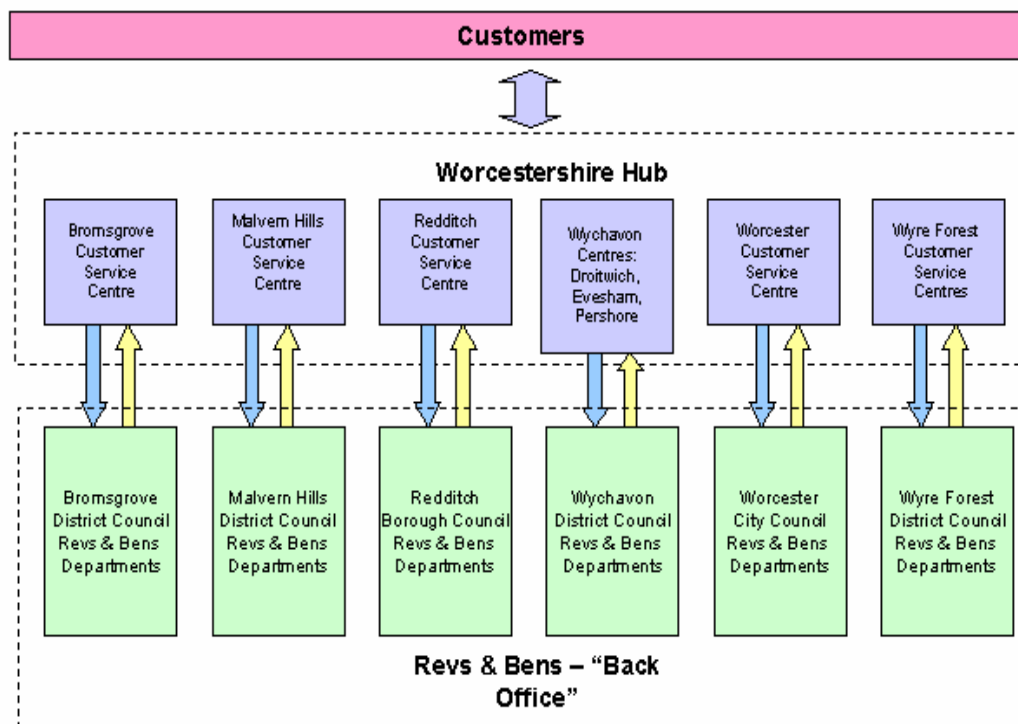
- Large volumes of payments are still made in person.
- Use of self-service via the telephone and web has not been optimised
- Different standards of training across the county for customer service staff dealing with Revenues and Benefits customer enquiries
- Customer service staff access to Revenues and Benefits IT systems as the Customer Relationship Management system and processes are not integrated with back office systems in order to flow work and information in an efficient way.
- Service Level agreements are not in place between the Hub and Revenues and Benefits teams
- Current transaction volumes appear to include a high level of service failure demand

Customers are currently dealt with through a variety of channels but in an inconsistent way, this is detailed below.

In Person – “Face to Face”

For all authorities the customer interface for Revenues and Benefits enquiries made in person is via the Worcestershire Hub customer service centres. However the depth of enquiries dealt with and the extent of processing carried out varies across the centres. The new Wyre Forest customer service centre opens later this year in Kidderminster.

Fig 3. Customer contact in person

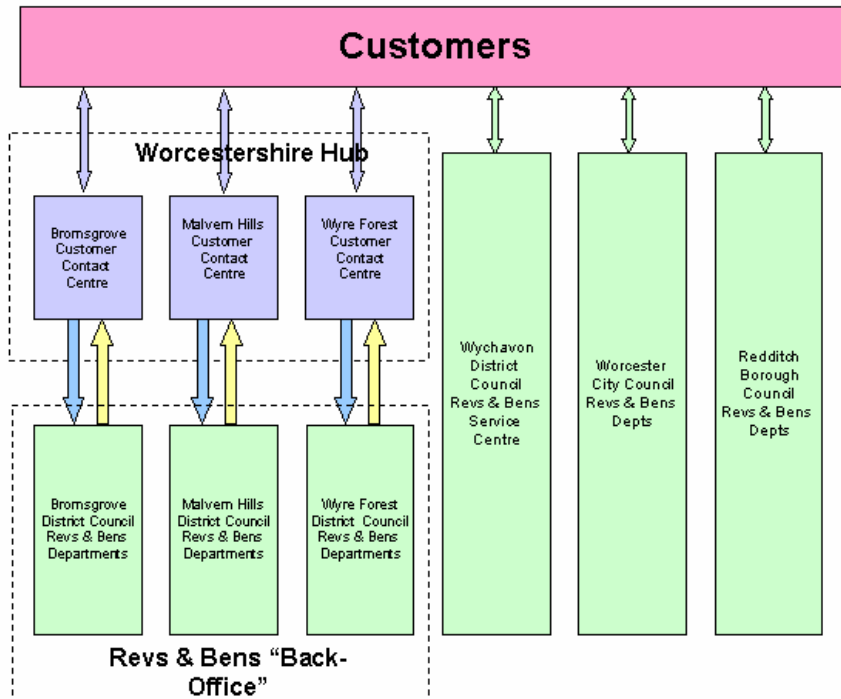


Telephone

For some authorities – Malvern and Bromsgrove in particular – telephone calls relating to Revenues and Benefits are dealt with by the local Worcestershire Hub Contact Centre. Again the depth of enquiry and processing carried out varies across the centres. Wychavon has a telephone service centre dedicated to dealing with Revenues and Benefits enquiries.

Worcester City, Redditch and Wyre Forest all have Worcestershire Hub Contact Centres, however to date the Revenues and Benefits service related calls have yet to be migrated and are still dealt with by the back office. On opening the new centre in Wyre Forest will handle telephone calls relating to Revenues and Benefits.

Fig 4. Telephone contact



Post

Again this varies across each of the authorities with post opening and dispatch and document scanning being dealt with corporately in some councils and within the service area in others. Post is received at a number of offices, including via a range of Post Office box numbers.

Internet

Each of the councils creates and maintains its own content for its Revenues and Benefits service on the internet as part of a corporate website. Currently three (soon to be 4) of the district councils use the same content management system hosted by Worcestershire County Council.

eMail / SMS

Again this varies across each of the authorities involving a range of corporate or service specific generic e-mail addresses, with messages being read on-line, printed or diverted to document management systems. Some councils use, accept and reply to text messages (SMS) from customers

Support Services

The support services relevant to the Revenues and Benefits shared service are as follows:

Service	Description
Financial services	Chief Financial Officer, financial advice, accountancy, creditor payments, debtors recovery and related services.
ICT services	Application systems and support, ICT infrastructure, user

Service	Description
	support, document management and other ICT-related services.
HR services	Personnel records, management support and advice, recruitment and selection, health and safety, training and development and other related services.
Internal audit	Internal audit functions in relation to Revenues and Benefits.
Procurement	Procurement of goods and services.
Legal Services	Monitoring officer, legal advice, legal actions (including debt recovery) and other related services.
Business Support Services	Administration, secretarial, post (in and out) and other related activities.
Office accommodation	Facilities and property.

Currently each of the district councils has its own support services and makes recharges to their Revenues and Benefits service accounts for the whole range of support services. Those recharges only partially reflect the actual resources used by the revenues and benefits services. In many cases the allocation of costs is relatively arbitrary. For example, recharges are often made on the basis of the number of people employed in the services, rather than the amount of resource actually employed by the services. The recharges also include certain fixed costs (e.g. proportions of senior managers' time), and other costs that would be very difficult to remove from budgets.

Furthermore, the working practices within each of the six districts differ and therefore comparisons are difficult to make. The detailed business case assumes that the best practices are adopted by Shared Service, and that as much work is carried out within the SSO as possible (e.g. administration and debt recovery).

The overall budget for support services within the six partners is about £3m per year. However, there is no clear relationship between the amounts recharged within each council and the scale of activity involved.

The case for change

Business Need & Drivers for Change

The Worcestershire councils have the following drivers for change for their respective Revenues and Benefits functions:

- Efficiency gains for all partner authorities in line with the Gershon agenda
- Improved service provision for customers
- Standardisation of the customer interface across the county via the Worcestershire Hub
- A single interface between the Worcestershire Hub and "back office" for Revenues and Benefits
- Consistent and joined-up services for Third Age customers in conjunction with the County Council
- Optimum use of existing and emerging technology
- Improved performance standards
- Reduction in operating costs
- Joint investment in integration between front and back office processes and

systems

- Better use of scarce resources, skills and knowledge

Evaluation criteria

The following objectives or “givens”, which flow from the above drivers and were specified by the council leaders and chief executives at the start of this project, have been used when formulating a vision and evaluating the options for a shared Revenues & Benefits service:

- The need to improve service delivery and performance standards for all partners
- Performance targets which will be set so that the service will be "better than the best".
- The shared service model must deliver benefits for all partners (through such things as business process re-engineering and economies of scale)
- There should be a single interface with the Worcestershire Hub (the Hub providing the front-end customer interface for Revenues and Benefits services)
- The service should be kept within Worcestershire on a public/public basis
- The original Shared Service principles set out in the Outline Business Case (OBC) should be followed.

Features of a potential operating model

Based on the drivers for change, the objectives or “givens” provided and the aspirations of the Revenues and Benefits workstream, a model for how the service might operate was defined and can be summarised as follows:

- One organisation with a single management structure
- Maximum use of flexible working arrangements
- Sharing of workloads and resources
- Uniform top quartile performance targets
- Common policies and procedures
- Use of common IT systems
- First point of contact for customers via the Worcestershire Hub, with uniform high standard of service and greater resolution at point of contact
- Maximum use of electronic service delivery

The original Shared Service principles set out in the outline business case should be followed

- Each partner council should retain its local identity
- There must be clear and agreed Service Level Agreements (SLA's) between the Shared Service and the Worcestershire Hub
- There should be a Joint Committee for Governance including arrangements for a Host Authority
- The shared service model must be scalable to enable it to operate with less than six councils or potentially with more than six in the future
- The Shared Service must have a single management structure.

All Revenues and Benefits employees will eventually work for one organisation.

Options appraisal

Based on the requirements of a future model a number of options have been defined and considered – Options Appraisal. This robust options appraisal has been undertaken in order to determine the most appropriate way to progress the potential for future collaboration or shared working on Revenues and Benefits in Worcestershire. This options appraisal has taken place at two levels:

- In overall terms looking at options for delivery of a shared services approach – does this make sense, is shared services the right way to go, what are the other options, why shared services?
- For each of the elements of the service - workstreams - what is the right solution for that element of the overall solution? So for example, in terms of governance, options have been considered for how the most effective governance arrangements should be put in place – collaborative arrangement, joint committee, joint venture company etc.

The elements of the service – workstreams – are:

- Revenues and Benefits Service
- HR and Employment
- Support Services
- ICT
- Governance
- Finance

This means that the overall options appraisal is extensive and very detailed and rather than including it all in the body of the business case, the overarching options appraisal (the first bullet above) has been included here and the sub-appraisals (the second bullet) have been included in **Appendix A**.

Overall options considered

In considering how the service might be delivered through joint working arrangements and within parameters that have been set a review was undertaken of the current service to identify where advantages would be gained through joint working and those areas where problems might be encountered. Previous experience of joint working within the county and in other local authorities nationally has been considered.

The outcome from this work identified several options for delivery of the service and these are listed below:

Option	Impact
A. Current Arrangements	There would be no change from current working arrangements, with each council continuing to operate independently.
B. Collaborative working	The councils would share information and carry out some joint procurement e.g. common information leaflets.
C. Collaborative working with joint working in some	The councils would share information, carry out some joint procurement and work together to provide some of the specialist

specialist areas	elements of the service, e.g. Business Rates.
D. Shared Service - using existing office accommodation on 6 sites with some specialist services being delivered from single site locations.	The councils would deliver the Revenues and Benefits service as a single organisation, but all staff would remain at their existing office locations apart from a small number of specialist services, e.g. Business Rates, which would be centralised.
E. Shared Service – using two main sites within Worcestershire.	The councils would deliver the Revenues and Benefits service as a single organisation with staff located at two sites, probably one in the north and one in the south of the county.
F. Shared Service – using single site accommodation.	The councils would deliver the Revenues and Benefits service as a single organisation with all staff located in one central office.
G. Shared Service – through “virtual” one site accommodation, using a central head office and distributed teams.	The councils would deliver the Revenues and Benefits service as a single organisation. The management team and specialist services e.g. Business Rates, would be brought together in a central head office. All other staff would remain in local offices or be home based.

Each of the options above was reviewed against the drivers and criteria set out in the previous Section. The advantages and disadvantages of each option were considered in the context of delivering the desired solution. The results are summarised in the following table: -

Option	Advantage	Disadvantage
A. Current Arrangements	<p>No loss of identify for individual councils.</p> <p>No disruption for staff or existing service delivery.</p> <p>Local knowledge of staff would be retained.</p>	<p>Does not meet the objectives of joint working or shared services. Fragmentation of Worcestershire No efficiency gains.</p> <p>Fails to maximise the opportunity to improve customer service through the Worcestershire Hub.</p>
B. Collaborative working	<p>No loss of identify for individual councils.</p> <p>No disruption for staff or existing service delivery.</p> <p>Local knowledge of staff would be retained.</p> <p>Minimal changes in processes and</p>	<p>Does not meet the objectives of a shared service.</p> <p>Difficult to realise any efficiencies gains.</p> <p>No standardisation of processes or procedures.</p> <p>No single interface with the Hub</p>

Option	Advantage	Disadvantage
	<p>procedures.</p> <p>Individual authorities maintain individual performance and quality standards.</p> <p>Some improvement possible in the areas of collaboration.</p>	<p>which could result in differing customer standards across the authorities.</p> <p>Unlikely to raise performance levels across the county.</p> <p>Does not adequately cater for joint working on specialised services.</p> <p>Fragmentation of Worcestershire</p>
<p>C. Collaborative working with joint working in some specialist areas</p>	<p>No loss of identify for individual councils.</p> <p>Limited disruption for staff and existing service delivery.</p> <p>Local knowledge of staff would be retained.</p> <p>Could help to manage peaks in workloads in the specialist service areas.</p> <p>Would build some limited resilience into the specialist service areas.</p>	<p>Does not fully meet the objectives of a shared service.</p> <p>Only limited scope to realise efficiency gains.</p> <p>Peaks in workloads likely to be at the same time for all authorities giving limited resources to assist each other</p> <p>No single interface with the Hub which could result in differing customer standards across the authorities.</p> <p>May give only limited increase in performance levels for some authorities in the specialist service areas.</p>
<p>D. Shared Service - using existing office accommodation on 6 sites with some specialist services being delivered from single site locations.</p>	<p>Limited loss of identify for individual councils</p> <p>Limited disruption for staff as most would work from the same office as now.</p> <p>Local knowledge of staff would be retained. Combining the resources in specialist services gives resilience.</p> <p>Some efficiencies could be realised in procurement and specialisation of some parts of the service.</p> <p>Could be scalable for differing numbers of partner authorities.</p>	<p>Would not fully meet the objectives of a shared service.</p> <p>Not easy to achieve consistency of performance across the shared service as customisation of service delivery may take place on individual sites.</p> <p>Only limited efficiencies realised as local managers would be duplicated on each site. Economies would depend on savings from processing staff and specialisation of some parts of the service</p> <p>Localised management may lead to substantial variances in performance management and</p>

Option	Advantage	Disadvantage
		<p>monitoring.</p> <p>Liaison with the Hub would be more difficult through 6 sites and consistency of approach more difficult to achieve and maintain.</p>
<p>E. Shared Service – using two main sites within Worcestershire.</p>	<p>Some disruption for staff and existing services, but not as much as with the one site option.</p> <p>Combining the resources in specialist services gives resilience and pooling of knowledge.</p> <p>Some efficiencies could be realised in procurement and specialisation of some parts of the service.</p>	<p>Would not fully meet the objectives of a shared service.</p> <p>Local identity may be lost (but may, over time, be replaced with a Worcestershire identity as new staff join).</p> <p>Not easy to achieve consistency of performance across the shared service as customisation of service delivery may take place on individual sites.</p> <p>Some duplication of management posts.</p> <p>Would not have single point of contact for the Hub.</p> <p>May produce north/south or east/west divide between the authorities.</p>
<p>F. Shared Service – using single site accommodation.</p>	<p>Would meet most of the objectives of a shared service.</p> <p>One single, centrally located management structure for the service would improve decision making.</p> <p>Consistency of performance easier to achieve, monitor and manage.</p> <p>Standardisation of service delivery, processes and procedures could be achieved.</p> <p>Considerable efficiency gains could be realised.</p> <p>Would enable a single point of contact with the Hub which should enable consistent service standards.</p> <p>Could be scaled for differing numbers of authorities.</p>	<p>Considerable disruption for staff and possible additional expense for authorities in the short term due to additional travelling time and cost.</p> <p>Local identity may be lost (but may, over time, be replaced with a Worcestershire identity as new staff join).</p> <p>There would be a need for sizeable accommodation in one location to host the organisation.</p> <p>May result in accommodation problems in the longer term as more authorities join.</p>

Option	Advantage	Disadvantage
<p>G. Shared Service – through “virtual” one site accommodation, using a central head office and distributed teams.</p>	<p>Would fully meet objectives of a shared service.</p> <p>One single, centrally located management structure for the service would improve decision making.</p> <p>Economies of scale possible in the management layer, although salaries for posts in the new structure may be evaluated at a higher level than existing posts.</p> <p>Consistency of performance easier to achieve, monitor and manage.</p> <p>Standardisation of service delivery, processes and procedures could be achieved.</p> <p>Considerable efficiency gains could be realised.</p> <p>Would enable a single point of contact with the Hub which should enable consistent service standards.</p> <p>Less disruption for staff as alternatives to office based working would be available – e.g. home working. This may also assist with future recruitment to the service.</p> <p>Allows a proportion of existing staff to work locally.</p> <p>Pressure on office accommodation would be reduced as alternatives to office based working were available.</p> <p>Could be scaled for differing numbers of authorities.</p> <p>Local access to services through the Worcestershire Hub.</p>	<p>There would still be some disruption for staff as not all will want to consider alternatives to office based working.</p> <p>Local identity may be lost (but may, over time, be replaced with a Worcestershire identity as new staff join).</p> <p>This would be a novel service delivery mechanism and new management competencies would need to be defined.</p> <p>If not carefully controlled this arrangement could result in large numbers of staff working out of local offices or from home, which may cause management issues.</p>

Conclusion from the overall options appraisal

The options appraisal (coupled with the detailed financial assessment and the individual appraisals under separate workstreams) indicate that maximum economies of scale are likely to be achieved through a **shared service arrangement with all staff based in one location**.

However, there are a number of reasons that make this (on the face of it most financially viable option) less attractive for the member councils:

- It is staff-un-friendly requiring the physical redeployment of a large number of staff that would have an adverse affect on recruitment and retention
- It would have an adverse affect upon the local economies
- In many cases Revenues and Benefits staff are not office based, including the anticipated increasing need to be closer to customers through home visits etc
- It is counter to diversity and flexible working pledges
- It would have a significant, and difficult to quantify, affect on the remaining council services/staffing

This further analysis led to the choice of **Option G** (Shared Service – through “virtual” one site accommodation, using a central head office and distributed teams) as the most advantageous solution. This would include a central head office housing the management team, specialist teams and business support, with all other staff working flexibly either based in local offices, from home or carrying out home visits.

The added value of the shared services approach

Arguably some of the benefits of a shared service could be achieved through improvement efforts within each authority individually or through collaborative working. However, the shared service approach provides a unique opportunity for all authorities to unite behind a single purpose and to provide a robust and fully integrated service delivery environment that assures the delivery of many benefits that could be attempted through other means of improvement. Overall the anticipated benefits of having a Shared Service Organisation, in particular as compared with collaborative working are as follows:

- Assures benefits from standardisation (which could in theory be done without SSO);
- Releasing resources within each partner authority for priority actions and services;
- Provision of greater resilience, with a broader base of staff and ICT systems;
- Greater opportunities for staff from a shared operation with potential for further growth;
- Greater flexibility if and when reorganisation should affect the county;
- The opportunity to include other partners to achieve further efficiency gains and improve services.

Other elements of the service

As stated above, further options appraisals have been conducted in relation to the elements of what the overall solution is and how it operates and these include:

- Employee or HR arrangements
- Governance
- Support services and accommodation
- ICT
- Finance

The detailed assessments for each are included in Appendix A but a summary is provided below for completeness:

Area	Options / Issues	Agreed option
Governance	Options considered included the nature of the shared services arrangement including whether and what shared services vehicle might be established and what the role of officers and Members in the governance would be.	The establishment of a Joint Committee with member representation from each council. A single Host Authority to employ staff within the Shared Services Organisation.
Employee / HR issues	Options considered included the overall structure and remuneration (working with the Revenues and Benefits team), how employees should be employed and by whom.	Coupled with the agreed governance structure (Joint Committee) the recommended option is: <ul style="list-style-type: none"> • The establishment of a common management structure • That employees are over time TUPE transferred to a Host Authority to be identified • That employees are initially seconded to the Host Authority
Support services and accommodation	Options considered included how support services should be provided to the shared service including whether support staff should be directly employed, or provided by one or more authorities.	That most support services are provided by one authority to be determined.
ICT	Options considered included what systems should be utilised and how, including where these should be hosted and how.	Migration to common systems for Revenues and Benefits and EDRMS. Utilisation of the County networking infrastructure.
Finance	Options considered included a financial assessment of the other aspects (revenues and benefits, employment, support services etc) and more detailed options on the preferred solution such as how the overall costs should be met by the partner councils.	A 10 year cash flow model has been prepared. This includes the allocation of costs based on a benefits sharing approach.

Preferred option – a summary of the proposed way forward

Introduction and overview

The options appraisal led to the choice of **'Shared Service – through "virtual" one site accommodation, using a central head office and distributed teams' (Option G)** as the most advantageous solution. That is, a shared service operating through "virtual" one site accommodation. This would include a central head office housing the management team, specialist teams and business support, with all other staff working on a mobile and flexible basis - in existing local offices, at home or with customers.

As we have already commented, the Worcestershire Hub will form the interface with the public but this will be far more than a 'glorified reception point'. The intention is that Revenues and Benefits enquiries and service access will be resolved at the first point of contact within the Hub as much as possible. The thinking here is that Hub customer service staff will have much greater capacity in terms of people, skills, access to information and the ability to efficiently process information than today to allow far more issues to be resolved at the first point of contact. This reduces transfers between functions thus avoids the customer being sent from 'pillar to post'. In addition it will protect the functional expertise built in the Revenues and Benefits processing functions as only enquiries that require specialist skill and knowledge will be addressed here. This will allow the Revenues and Benefits function to concentrate on back office processing which can most benefit from delivery through scale economies and standardisation.

Hub services will therefore extend to areas such as:

- Single development of channels including self service and on-line access;
- Greater depth of service, resolution of more issues at first point of call;
- Greater consistency across the authorities;
- Going out into the community.

Other key features of the proposed way of working include:

- A smaller back office that focuses on 'transaction processing' and the expertise required to support the Hub and the service generally.
- A head office that brings together service managers responsible for establishing strategy and policy (in accordance with the Board's and the council's requirements) and specialist teams.
- Sharing of all common resources from buildings and ICT through to staffing. ICT would migrate to a common platform with the network monitored by the County.
- A single management structure clarifying, rationalising and removing potential duplication in the existing 6 different structures.
- Flexibility around location recognising that co-location would not in itself facilitate co-delivery. This means that ICT infrastructure will be put in place that supports such things as mobile working (to take the service to the customer) and home-working that reduces demands on accommodation and improves diversity of employment. Staff will also be able to work in council accommodation regardless of ownership (other districts, the County's buildings etc).
- Streamlining of common functions and tasks across the Revenues and Benefits

shared service, including documentation such as HB application forms and processes such as how changes in circumstances are dealt with.

- Automation wherever possible including much stronger integration of front and back office systems and the common use of document management that allows paper records to be accessed regardless of location.
- Centralisation of common and specialist functions.

Overall management and governance of the SSO will fall to a Joint Committee (with member representation from each authority). The Joint Committee will take a strategic role, establishing overall policy and direction (such as that set out in the business plan) and delivering effective performance management against this. There will be a Host Authority where the overall management team and certain functions will be located, including support services. The host authority will (over time) employ the staff effected through a TUPE transfer. Most SSO staff will be distributed over other working locations (council buildings, home or other locations) to allow flexibility and minimise the impact on staff and local towns. Flexible working will therefore be delivered through a combination of home working, field working, use of accommodation in each authority, use of touch points etc. This will help with all councils' diversity agendas.

The SSO would undertake all work in respect of the partner authorities Revenues and Benefits service including:

- Billing collection and recovery of Council Tax
- Billing collection and recovery of Business Rates
- Housing and Council Tax benefit administration, assessment and payment
- Benefit Fraud investigation and interventions
- Billing, collection and recovery of benefit overpayments.
- Performance management and monitoring.
- Compilation of all government returns relating to the service
- Scanning and indexing of all documents sent to the service
- Service specific reconciliations, system controls and system administration
- Training.

The centrally located management structure will have an overall Head of Service and individual service managers for Revenues, Recovery, Benefits, Fraud and Control and Monitoring. The Revenues and Benefits management team will be reduced to one head of service and five service managers. A tier of middle managers and team leaders will be responsible for day to management of individual teams and provide technical expertise and support to staff. Specialist, 'centrally located' teams will be created for:

- Business rates
- Benefit appeals
- Debt recovery
- Management of Benefit Fraud investigations, including interventions
- Systems administration, training, performance monitoring and reporting.

The SSO will not be established as a separate legal entity and therefore will not have the authority to employ staff. Instead this role would be undertaken by a host authority. All SSO employees will be TUPE transferred to the host authority in the long term after an initial secondment.

In addition to the centrally located teams, all other teams, including those dealing with Benefit claim processing, the billing and collection of Council Tax and visiting officers, would be

managed from the central head office, but most staff within those teams would be working at other locations under flexible working arrangements, for example, home working and some presence at individual authority sites.

Flexible working would be encouraged for all staff, including home working, working at other locations, home visits, variable hours, evening and weekend hours and condensed working, for example, to fit with child care needs.

So how will services be improved?

There are several ways in which services will be improved and give direct benefit to the customer by the establishment of a SSO including:

- **More choice** - Customers will have more choice in the way they are able to access the service and can choose the method most appropriate for their needs.
- **Single contact points** - customers moving between authorities will only need to provide information once through a single contact point.
- **Better performance** - resulting in increased speed of processing and accuracy for housing benefits. This will help to reduce the impact of poverty for vulnerable people, as they are able to pay their rent earlier and are less likely to be made homeless.
- **Better performance** - resulting in increased and earlier collection of council tax will help keep down future years council tax bills;
- **Resilience** - will ensure that the service will be more able to absorb the peaks in workload without any deterioration in the service to the customer. Thereby giving consistency of delivery throughout the year;
- **Specialist teams** - will give added expertise and resilience. This will ensure that there is consistency in the delivery of the service and the speed of response to customers irrespective of when and how the contact is made;
- **Mobile working** - "taking the service to the customer" through the use of mobile technology will be particularly beneficial to the more vulnerable groups of the community who may currently experience difficulties in accessing services;
- **Continuing development of the service** - the SSO will have the resources available to ensure service delivery does not stand still or stagnate and that it will continually evolve to provide an excellent, efficient and modern service for its customers today and in the future.

Standardisation of Policies and Procedures

Efficiencies and improvements in the customer experience will be maximised through the standardisation of policies and procedures. The SSO would operate common policies and procedures at all levels, for both front and back office work

Policies and procedures will be based on the requirements and expectations of customers and other stakeholders in the service. These will be guided by nationally recognised best practice but will also take into account local conditions and variances. Policies and procedures will be set out clearly, in electronic format, will be updated regularly and will be readily available to all those who need access.

Customer Service

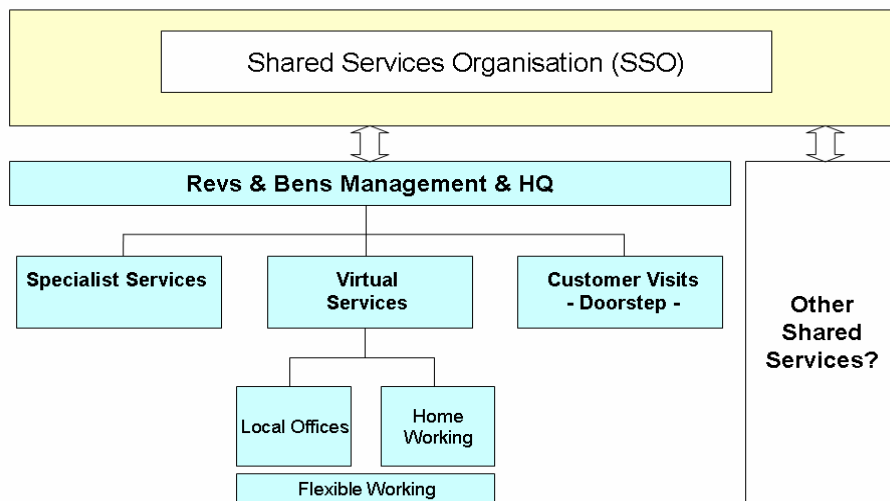
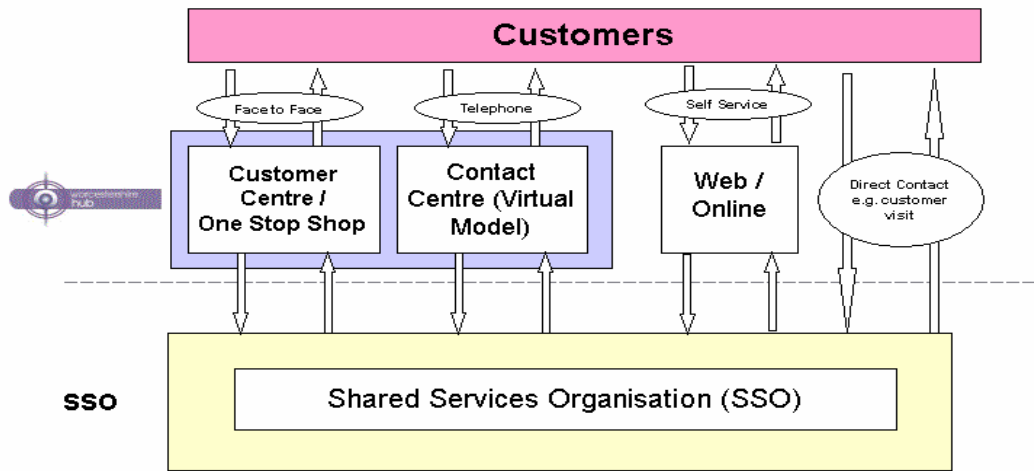
The Worcestershire Hub will act as the first point of contact for customers of the Revenues and Benefits service. There will be a single interface between the SSO and the Worcestershire Hub, as illustrated in *Figure 3*. The implementation of the Shared Service will lead to customers of the Revenues and Benefits services across the county receiving a consistent, high quality service, based on top quartile performance standards and customer consultation, regardless of where they live or which access channel they choose.

The following sets out how the Shared Service is envisaged to operate from a customer service perspective:

- The service standards (specific to Revenues and Benefits) operated by the service both through the Worcestershire Hub and back office will be published in a customer charter.
- The service will have one dedicated set of web pages delivered through the Worcestershire Hub Portal, with links to and from the websites of the constituent authorities.
- The initial point of contact for all Revenues and Benefits telephone enquiries will be the Customer Contact Centres within the Hub. Ultimately this could be via a single telephone number across the county, making use of the Virtual Contact Centre (i.e. local centres operating as one centre) arrangements available as part of the Worcestershire Hub.
- Customers would be able to make service requests in person to any of the Customer Centres, including those outside their own council's area.
- Customer transactions will be dealt with to completion at the first point of contact wherever possible or there will be clear "hand-off" points defined and documented for all transactions.
- Transactions that can be processed fully at the first point of contact will be processed while the customer is present and the necessary bills or other documentation issued. This will reduce repeat visits and delays in processing of documentation.
- Documents provided by customers will be scanned at the time of receipt and returned to the customer immediately, thereby reducing inconvenience to the customer and any risk of loss of paperwork.
- All Revenues and Benefits information and transactions which can be provided via the internet will be made available, modelled on national best practice, to encourage the take up of self-service facilities by customers.
- Use of electronic channels for service delivery will be maximised, e.g. paperless direct debit and other e-payment methods, electronic billing, payment of benefit and refunds by BACS, and use of email and SMS for sending and receiving customer information.
- Mobile computing would be used to increase full service delivery on the doorstep; based on smart e-forms, digital recording of evidence, remote and mobile access to the Revenues and Benefits IT systems, automatic transfer and/or update of data collected, automated visit scheduling, etc. This will also facilitate flexible working arrangements for staff.
- All home visits for the service will be co-ordinated effectively, including, where appropriate through liaison with the Third Age Joint Teams co-ordinator. Self-service facilities will be available within the Customer Service Centres for customers not requiring assistance with their transaction.

Figure 3 illustrates how the Shared Services Organisation is envisaged to operate

Fig 3. The Revenues and Benefits Shared Service



Performance standards

Performance standards will be uniform across the shared service organisation and will be set by reference to the service area and not to the individual authorities. Performance for all BVPs will be within top quartile. Comprehensive performance management, monitoring and reporting at regular intervals will be a basic requirement of the service.

The vision for the shared service requires that performance will be "better than the best" and will have consistent top quartile performance. Evaluation of current performance across the constituent authorities showed that there were, as expected, considerable variances in performance. Performance was also evaluated against national statistics.

Consideration was given to the ability of the shared service to achieve consistent top quartile performance across all areas within the first 12 months of the setting up of the shared service. This was felt to be unrealistic due to the current wide variances in performance and the requirement to ensure current performance was maintained during a period of transition.

The option recommended is for performance to be set as follows:

- Year 1 - performance for each constituent authority is at least equal to that achieved in the year immediately preceding the set up of the SSO.
- Year 2 - performance across all constituent authorities is equal to that for the highest performing constituent authority in the County.
- Year 3 - performance of the shared service, taken as a whole, is better than the best in the county

The tables below show the agreed target performance levels for the main BVPI's (Table 1) for the service and other performance measures (Table 2) which it was agreed the SSO should consider developing.

Table 1: Proposed performance targets

Performance Indicator	County Best ¹	Nat' DC ²	Selected Target ³	Comments:
BV9 - % CTX collected	98.5%	98.5%	98.6%	This is already above national top quartile and some of our districts have service plan targets exceeding this level.
BV10 - % NDR collected	99.7%	99.2%	99.5%	This is already above national top quartile and some of our districts have service plan targets exceeding this level.
BV78a – Average time for processing new claims	22 days	27 days	20 days	This target is better than national top quartile and well inside DWP Performance Standard of 32 days. Achievement will depend on use of improved IT systems. Need to review continuously the cost/benefit of performing at this level.
BV78b – Average time for processing changes	6 days	9 days	6 days	This measure may need to be reviewed in light of possible changes by DWP.
BV79a – Accuracy of	100%	99%	99.5%	It is unrealistic to target 100% and DWP Performance Standard is 98%

¹ Best of Worcestershire Districts in 2005/06

² Nat' DC = National top quartile performance for District Councils in 2005/06

³ Selected target = initial target subject to review as stated in table 1

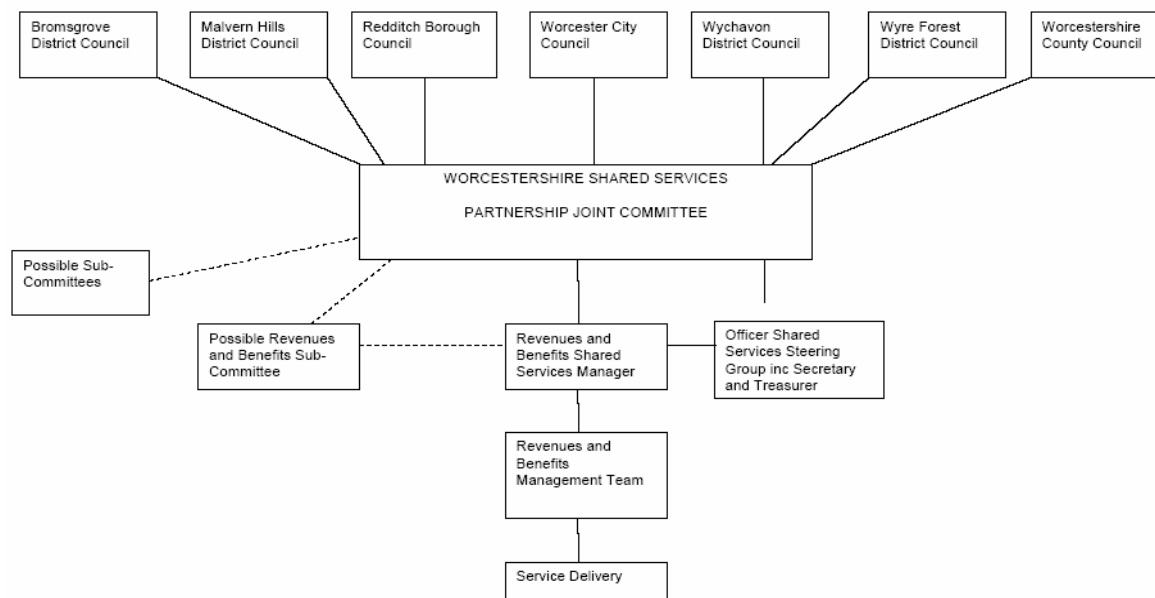
Performance Indicator	County Best ¹	Nat' DC ²	Selected Target ³	Comments:
processing				
BV79b - % of overpayments recovered				This measure to be reviewed following analysis of national results based on the new definitions introduced in 2005.

Table 2: Other measures of performance to be considered

PI	Comments:
DWP Benefits Performance Standards	We should aim to maintain current levels for each council in year one, and achieve level 4 (the top level) for the SSO in year two and beyond. The costs and benefits of achieving some elements of the standards will need to be considered by the SSO management.
Collection of prior year arrears of Council Tax	A target needs to be set for this following publication of national data and/or a national PI (if DCLG does either of these) or in light of local performance.
Collection of prior year arrears of Business Rates	As for Council Tax.
Fraud detection and reduction of error	The current national BVPIs are not felt to offer a real measure of performance in this area. A suitable local indicator should be developed.
Accuracy checking	Although a target has been included above for accuracy, there should be additional measures linked to levels of work checking.
Customer Service measures and Hub targets	A set of customer service targets and satisfaction measures will need to be incorporated in the proposed customer charter and service level agreement between the Hub and the SSO.
Benefit take-up	Linking changes in take-up to specific measures introduced is difficult, but a target could be set based on figures included in the Local Area Agreement.

Governance Arrangements

The proposal establishes a Joint Committee of elected Members to provide strategic direction, overview and accountability for the Shared Service Organisation (SSO). The proposal includes one Member representative for each council including the County Council. The way it works is set out in the organisational structure chart below: -



Within this model:

- Members would agree overall policy and an annual business plan including key performance measures and monitor the performance of the operation through regular “Board Meetings”. This provides the benefit of clear democratic accountability and avoids difficulties that could arise if the organisation was seen as operating “behind closed doors”.
- The structure shows a Worcestershire Shared Services Partnership (WSSP) Joint Committee, which may have a Revenues and Benefits Sub-Committee reporting to it as and when (and if) more shared services are developed/delivered.
- The SSO will not be established as a separate legal entity and therefore will not have the authority to employ staff. Instead that role will be undertaken by a host authority. The host authority will (over time) employ the staff affected through a TUPE transfer.

Further information regarding the proposed Governance arrangements is detailed in Appendix E.

Information and Communications Technology

The service would operate with one common Revenues and Benefits ICT system, Document Management System and Customer Relationship Management (CRM) system. There will be maximum integration between the systems so that as far as possible data is entered once followed by automated workflow and automatic updating (subject to any essential validation). Mobile technology used as part of these systems will be capable of integrating with the Third Age Project ICT systems. There will be maximum integration with other systems, both within the service, e.g. council Land and Property Gazetteers (LLPG) and with partner organisations, including the DWP, Rent Service, APACS, Valuation Office Agency etc.

There will be integration with self-service, customer contact systems e.g. the web and automated telephone services. As a result work items will either be generated or automatic

updating of the Revenues and Benefits system will follow, for example after online sign up for direct debit via the web. The shared service will have the capacity and capability to maximise use of emerging technologies and manage change.

Support Services

The preferred solution is quite simple: that the host authority takes responsibility from the outset for ensuring that the whole range of support services are made available to support the SSO. The joint committee will make decisions about how the necessary resources are obtained, including the transfer of resources from the remaining partners and/or the procurement of services from one or more of the partners. The Host Authority will then implement the decisions made by the Joint Committee. This flexibility will enable the host to 'upscale' both quickly and flexibly, whilst recognising that it may be appropriate to leave the skills and resources where they are in some cases, whether temporarily or permanently.

The following sets out how the support services for the SSO are envisaged to operate:

- The joint training team would provide all Revenues and Benefits training needs across the SSO, including the Customer Service staff within the Worcestershire Hub, covering systems and legislation training, supported by on-line training packages.
- The shared service organisation would have its own post opening and scanning and indexing team as an integrated part of the structure.
- One PO Box number would be used for all incoming Revenues and Benefits correspondence.
- All forms, letters, leaflets and other documentation will be standardised for the constituent authorities, with the exception of the authority logo, and will be in plain English.
- The SSO would also incorporate its own IT systems administration team, but would continue to need technical IT support via the host authority.
- Completion of all statutory government returns relating to the service would be carried out within the SSO.
- The SSO would ensure joint procurement for all goods and services is introduced wherever possible to achieve cost savings and value for money.
- Joint advertising and publicity campaigns will be carried out, subject to any specific local needs being included. General administration work relating to the SSO e.g. ordering of goods and supplies, would be carried out within the SSO.

The current cost for support services across revenues and benefits is £2.865m per annum. Excluding the ICT support costs, the annual cost of support services is £1.865m per annum.

It is anticipated that the shared service will require support totalling £1.540m per annum from the beginning of Year 2. This is made up of accommodation, ICT, finance, HR, internal audit, procurement, administration, management and legal services

It is recognised that there are elements of fixed costs within the support services budgets which cannot be saved. Each district has identified their residual costs, which total £2.205m per annum across all districts.

The support services workstream concluded that over a 3 year period the residual costs could be reduced to 25% of the current cost. Each district will need to form a view with regards to the achievement of these savings. By the beginning of Year 5 the residual costs for support services total £0.551m.

For the host authority, there will be a need to 'upscale' its support services to enable it to have available to the SSO the necessary range and level of resources needed. It may choose to do this by increasing its own resources or by entering into arrangements with one or more

other districts (or suppliers).

Current analysis suggests that:

- The host council would provide the Chief Financial Officer and Monitoring Officer roles
- There is no need for all of the support services to be provided by one partner
- There may be opportunities to bring some services in-house that are currently procured externally
- There is also a good opportunity to procure some services externally that are currently provided internally
- There is insufficient evidence to come to any realistic conclusions at present on what is needed and the preferred arrangements for the provision of support services
- There is a need for each partner to clarify its position in terms of its capacity and desire to provide services to the SSO through the host authority.

There is a need to look further at the potential for developing shared service arrangements for support services such as ICT, Finance and HR, so as to maximise the residual cost reductions.

Employment Issues

The centrally located management structure will have an overall Head of Service and individual service managers for Revenues, Recovery, Benefits, Fraud and Control and Monitoring. A tier of middle managers and team leaders will be responsible for day-to-day management of individual teams and provide technical expertise and support to staff. Specialist, 'centrally located' teams will be created as detailed above.

The Head of Service position will be advertised nationally and the appointment made to a Host Authority. Other management / team leader posts will be advertised internally and initial consideration given to existing Revenues and Benefits staff. Where possible staff will be directly allocated to new SSO posts.

All other staff will initially be seconded to the host authority and therefore existing pay and terms and conditions of service will remain unchanged. This will initially lead to inconsistencies in pay and terms and conditions within the SSO. The longer-term intention will be to TUPE transfer all SSO employees to the host authority after this initial secondment.

The SSO employment model suggests an overall net reduction of 47 FTEs:-

- The shared management enables the number of managers to reduce from 13 to 6.
- The simplified, streamlined, standardised and automated processes enable the number of revenues and benefits staff to reduce from 249 to 195.
- These staffing reductions are partly offset by a requirement for 14 additional staff in the Worcestershire Hub to deliver the improved consistent customer interface of the new revenues and benefits service.

The overall reduction in staff numbers will be handled very sensitively and with careful management. There is strong evidence to suggest that the need for redundancies will be negligible or none at all: -

- To implement the change effectively and to avoid "performance dip" during the "transitional period" the reductions in staffing levels will not happen immediately but gradually over the first two years.
- The existing staff numbers already include 20 staff on agency or temporary contracts. In addition staff turnover of 8% or around 20 staff per year mean the

actual number of permanent staff will be further reduced by the time the staffing reductions are implemented.

- Existing employees who are not appointed to a new post will be transferred to the SSO. For any employee who is not subsequently placed within the SSO, opportunities will be explored for re-deployment to a suitable alternative post in any of the constituent authorities.

There have been initial discussions with full-time Trade Union officers on a consultation process. Consultation with Trade Unions and staff will take place and the arrangements will build on the consultative model used during the creation of the Worcestershire Hub.

Costs, benefits and risks

Overall Summary

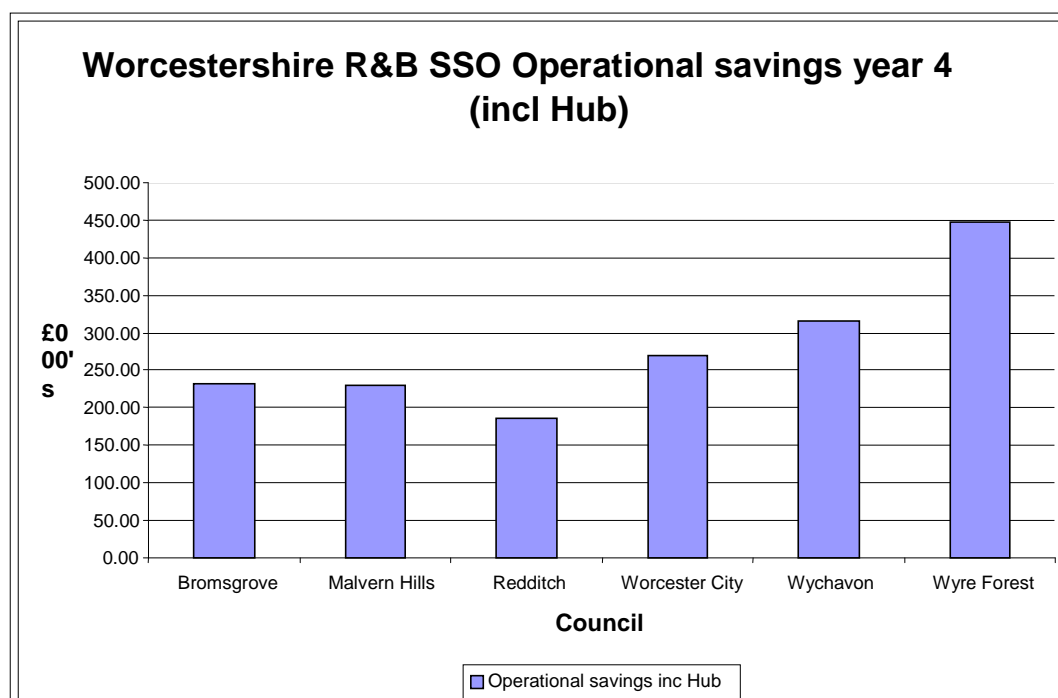
The financial model summarises the outputs of all workstreams into a financial model. The financial information has been modelled over a 10 year period, which is consistent with the Outline Business Case (OBC). The financial model has been developed on the assumption that Wychavon District Council acts as the Host Authority, however sensitivity analysis has been undertaken with Bromsgrove District Council hosting. The financial implications of the shared service operation are:

- Current cost of delivering the Revenues and Benefits services of £10.720m per annum, totalling £107.202m over the 10 year period
- Operational savings before Worcestershire Hub and residual support costs of £20.829m over the 10 year period of the shared service operation.
- Operational savings after Hub and residual support costs of £11.239m over the 10 year period of the shared service operation.
- Investment costs of £2.995m required to deliver the operational cost. It should be noted that districts would have invested an estimated sum of £3.130m over the 10 year period irrespective of the shared service operation.
- Total savings before financing charges of £8.245m over the 10 year period for the shared service operation.
- Operational savings deliverable from Year 2 onwards, annual operational savings of £1.6m from year 4 onwards.
- All districts receive a financial benefit from the shared service operation utilising the savings sharing allocation methodology.

Throughout this section, we refer to operational savings and total savings which mean:

- Operational savings are the revenue expenditure savings (before taking into account any capital investment requirements), when compared to the current budget for delivering the revenues and benefits services
- Total savings are the total savings i.e. savings against the current cost of delivering the services after taking into account the revenue and capital costs required to deliver the SSO.

The chart below summarises the position per district from Year 4 onwards for operational cost savings including the additional Hub staff:



The table below expresses the operational savings both excluding and including the Hub costs for Year 4 onwards as a % of the current budget:

Savings % All figures in £000's	Bromsgrove	Malvern Hills	Redditch	Worcester	Wychavon	Wyre Forest
Current budget per annum	1,510	1,328	1,413	2,320	1,997	2,154
Operational savings (exc Hub) year 4 onwards	(258)	(256)	(291)	(374)	(420)	(447)
Saving as a % of current budget	17.1%	19.3%	20.6%	16.1%	21.0%	20.8%
Operational savings (inc Hub) year 4 onwards	(232)	(230)	(187)	(270)	(316)	(447)
Saving as a % of current budget	15.3%	17.3%	13.2%	11.6%	15.8%	20.8%

The table shows that from Year 4 onwards including all the Hub costs, each council makes an operational saving when compared to its current budget of at least 11.6% per annum.

The table below summarises at a high level the 10 year financial benefits from shared services and identifies the costs that the councils would have needed to invest over the next 10 years without the shared service operation:

Summary 10 Year position	£m's
Current Budget	107.202
Shared services cost	95.962
Operational cost / (savings)	(11.240)
Capital investment	2.995
Total cost / (savings)	(8.245)
Costs district incur without SSO	
Hub staffing	3.468
Revenues and Benefits transformation	1.869
ICT investment	3.130
Total costs incurred without SSO	8.467

This means that over the 10 year period, the total savings equate to £8.2m and the costs avoided are £8.5M (assuming that the councils would have increased Hub staffing, replaced redundant ICT and invested in transformational change to secure the envisaged improvements). This is an overall cost 'saving' of £16.7M over 10 years.

The table below summarises the position for the shared service operation per annum and in total over the 10 year period:

Fiscal Year		0	1	2	3	4	5	6	7	8	9	10
Fiscal Year Start Date		01-Apr-06	01-Apr-07	01-Apr-08	01-Apr-09	01-Apr-10	01-Apr-11	01-Apr-12	01-Apr-13	01-Apr-14	01-Apr-15	01-Apr-16
Fiscal Year End Date		31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17
Shared Service Centre		Total										
Current cost												
Housing Benefits Sub-total	63,698,720	0	6,369,872	6,369,872	6,369,872	6,369,872	6,369,872	6,369,872	6,369,872	6,369,872	6,369,872	6,369,872
Council Tax Sub-total	35,427,360	0	3,542,736	3,542,736	3,542,736	3,542,736	3,542,736	3,542,736	3,542,736	3,542,736	3,542,736	3,542,736
NNDR Sub-total	8,075,520	0	807,552	807,552	807,552	807,552	807,552	807,552	807,552	807,552	807,552	807,552
Total current cost	107,201,600	0	10,720,160	10,720,160	10,720,160	10,720,160	10,720,160	10,720,160	10,720,160	10,720,160	10,720,160	10,720,160
Shared Service Operation												
Housing Benefits	49,486,639	0	6,067,712	5,318,779	4,806,712	4,756,205	4,756,205	4,756,205	4,756,205	4,756,205	4,756,205	4,756,205
Council Tax	28,495,066	0	3,500,207	3,051,583	2,767,489	2,739,398	2,739,398	2,739,398	2,739,398	2,739,398	2,739,398	2,739,398
NNDR	6,521,189	0	802,026	698,135	633,231	626,828	626,828	626,828	626,828	626,828	626,828	626,828
Revenue and Benefits Transformation costs	1,869,250	108,375	559,750	717,250	455,125	28,750	0	0	0	0	0	0
Total	86,372,144	108,375	10,929,695	9,785,748	8,662,556	8,151,181	8,122,431	8,122,431	8,122,431	8,122,431	8,122,431	8,122,431
Capital Investments												
ICT	2,995,000	40,000	900,000	1,235,000	90,000	210,000	160,000	60,000	210,000	30,000	60,000	0
Total Capital	2,995,000	40,000	900,000	1,235,000	90,000	210,000	160,000	60,000	210,000	30,000	60,000	0
Total Shared Service Cost	89,367,144	148,375	11,829,695	11,020,748	8,752,556	8,361,181	8,282,431	8,182,431	8,332,431	8,152,431	8,182,431	8,122,431
Operational cost / (savings) before Hub and residual costs	(20,829,456)	108,375	209,535	(934,412)	(2,057,604)	(2,568,979)	(2,597,729)	(2,597,729)	(2,597,729)	(2,597,729)	(2,597,729)	(2,597,729)
Savings / Additional cost before Hub and residual costs	(17,834,456)	148,375	1,109,535	300,588	(1,967,604)	(2,358,979)	(2,437,729)	(2,537,729)	(2,387,729)	(2,567,729)	(2,537,729)	(2,597,729)
Operational costs funding:												
Operational costs / (saving) versus current budget	(20,829,456)	108,375	209,535	(934,412)	(2,057,604)	(2,568,979)	(2,597,729)	(2,597,729)	(2,597,729)	(2,597,729)	(2,597,729)	(2,597,729)
Adjusted for:												
Additional Hub staff costs	3,468,066	0	182,530	365,060	365,060	365,060	365,060	365,060	365,060	365,060	365,060	365,060
Residual costs	6,121,525	0	0	1,544,169	716,935	551,489	551,489	551,489	551,489	551,489	551,489	551,489
Real operational costs / (saving)	(11,239,864)	108,375	392,065	974,816	(975,609)	(1,652,430)	(1,681,180)	(1,681,180)	(1,681,180)	(1,681,180)	(1,681,180)	(1,681,180)
Investments	2,995,000	40,000	900,000	1,235,000	90,000	210,000	160,000	60,000	210,000	30,000	60,000	0
Total shared services cost	(8,244,864)	148,375	1,292,065	2,209,816	(885,609)	(1,442,430)	(1,521,180)	(1,621,180)	(1,471,180)	(1,651,180)	(1,621,180)	(1,681,180)

Overall cost of service

There are a number of key cost drivers for the revenues and benefits service principally being:

- Employee / staffing costs
- Support service costs

We examine below the reductions in these costs and the key assumptions behind these reductions.

Reduction in staffing numbers and cost

The current staffing numbers and cost (excluding pensions) for the revenues and benefits service across the districts are:

- 13 managers
- 249 operational staff
- Current cost of the staffing for revenues and benefits is £5.725m

The table below illustrates the worse case scenario staff numbers at the beginning of each of the first 4 years of the shared service operation and the worse case scenario annual staff costs for the first 4 years:

	Day 1	Year 1	Year 2	Year 3	Year 4
Management FTE	13	14	12	6	6
Operational FTE	249	249	236	195	195
Total					
FTE	262	263	248	201	201
Cost	£5.725m	£5.702m	£5.336m	£4.743m	£4.743m

In addition the councils want to ensure a consistent service is provided by the Hub and the financial model includes provision for 14 additional Hub staff at a cost of £3.468m over the 10 years. These additional staff will also enable resolution of more enquiries at first point of contact.

The key drivers for the revenues and benefits savings are:

- Centrally located teams for the following services:
 - Business rates
 - Benefits appeals
 - Debt recovery
 - Benefit fraud investigation, including interventions
 - Performance, systems and training
- Common integrated IT Systems
- Consistent standard of service across all districts

Reduction in support service costs

The current cost for support services across the six district councils is £2.865m per annum. Excluding the ICT support costs, the annual cost of support services is £1.865m per annum.

It is anticipated that the shared service will require support totalling £1.540m per annum from the beginning of Year 2. This is made up of accommodation, ICT, finance, HR, internal audit, procurement, admin, management and legal services.

It is recognised that there are elements of fixed costs within the support services budgets which cannot be saved. Each district has identified their residual costs, which across all of the districts totals £2.205m per annum.

The support services workstream has concluded that over a 3-year period the residual costs could be reduced to 25%. Each district will need to form a view with regards to the achievement of these savings. By the beginning of Year 5 the residual costs for support services will total £0.551m.

The table below provides a breakdown of the residual costs per district for years 2 to 4:

Residual costs	Year 2	Year 3	Year 4
Bromsgrove	279,619	129,823	99,864
Malvern Hills	168,000	78,000	60,000
Redditch	317,800	147,550	113,500
Worcester City	359,800	167,050	128,500
Wychavon	0	0	0
Wyre Forest	418,950	194,513	149,625
Total	1,544,169	716,935	551,489

It should be noted that the support services workstream concluded that these residual costs would not be shared across all districts. Each district would need to take responsibility for determining the extent to which savings are achievable, and over what period of time.

Transitional costs

There are a number of transitional costs required to implement the shared service operation and to ensure the objective that service delivery must not dip during transition. The revenues and benefits and support service implementation costs required to the end of Year 4 of the shared service operation are summarised in the table below:

Implementation costs	Total	Year				
		0	1	2	3	4
Rev/Ben backfill	507,500	26,875	163,750	182,500	116,875	17,500
Temp staff (resilience team)	393,750	0	0	206,250	187,500	0
BPR resource for R&B	337,500	22,500	157,500	112,500	45,000	0
Project Manager	472,500	45,000	180,000	157,500	78,750	11,250
Communications	18,000	1,500	6,000	6,000	4,500	0
Support service implementation	140,000	12,500	52,500	52,500	22,500	0
Total	1,869,250	108,375	559,750	717,250	455,125	28,750

The ICT service transition and investment costs are summarised in the table below for the first 3 years of the shared service operation only:

ICT	Total	Year			
		0	1	2	3
Relocation of R&B Servers	25,000	5,000	20,000	0	0
Relocation of DIP / EDRMS Applications	100,000	5,000	95,000	0	0
Establishment of satellite comms links (enhanced County network)	100,000	5,000	95,000	0	0
HQ to remote workers	60,000	0	30,000	30,000	0
Enhancement of existing IT operational services	25,000	25,000	0	0	0
Longer term replacement of DIP systems	250,000	0	150,000	100,000	0
Replacement of R&B systems	1100,000	0	300,000	800,000	0
Infrastructure refresh	90,000	0	30,000	30,000	30,000
Establishment of office and admin ICT systems and refresh	100,000	0	100,000	0	0
PC / server refresh	110,000	0	80,000	30,000	0
Implementation of e-forms	305,000	0	0	245,000	60,000
Total	2,265,000	40,000	900,000	1,235,000	90,000

The table below summarises the total lifetime ICT investment for the shared service operation and the costs each district would incur irrespective of the shared service:

ICT Investment	SSO	Districts	Variance
Relocation of R&B Servers	25,000		25,000
Relocation of DIP / EDRMS Applications	200,000		200,000
Establishment of satellite comms links (enhanced County network)	100,000		100,000
HQ to remote workers	60,000		60,000
Enhancement of existing IT operational services	25,000		25,000
Longer term replacement of DIP systems	250,000		250,000
Replacement of R&B systems	1,100,000	2,200,000	(1,100,000)
Infrastructure refresh	300,000	300,000	0
Establishment of office and admin ICT systems and refresh	300,000	300,000	0
PC / server refresh	330,000	330,000	0
Implementation of e-forms	305,000		305,000
Total	2,995,000	3,130,000	(135,000)

The table above shows that:

- The councils would need to spend £3.130m without the SSO but only £2.995m for the SSO.
- For the £2.995m SSO cost, the councils receive more investments such as home working links, e-forms etc

Positions for each authority

Operational savings share principle

As stated above, all districts would receive a financial benefit from the shared service operation. There has been significant debate about whether a cost pooling or benefit pooling approach should be taken and the latter has been selected for the following key reasons:

- There needs to be something in the SSO for all councils – in order for this to work, benefit sharing is the preferred option, otherwise the currently more efficient councils would not wish to participate because their costs would increase.
- Cost sharing rewards the inefficient and penalises the efficient which is perverse.
- Councils have a statutory duty under the LG Act 1999 to secure economy, efficiency and effectiveness. They could not be seen to subscribe to an initiative that costs more (which would be the case for some under cost-pooling). Overall the councils have secured the 3Es collectively and individually under the benefit

pooling approach.

- It could be argued that the charge to the individual councils is a matter for the JC as an 'arms length organisation' and it is for that organisation to determine its charging arrangements, it is for the councils to be sure that the charges represent VFM and secure the 3Es which under benefit pooling is more true for all councils.
- Benefits have been allocated on a reasonable basis, not simply divided by the 6 councils.
- The councils agree that the changing arrangements will be reviewed in due course.

It is proposed (and has been assumed that) savings (when compared to current budgets) are shared on the following basis:

Service	Cost / savings sharing mechanism
Housing Benefits	Benefits: Caseload
Council Tax	Weighted Council Tax: residential properties
NNDR	Weighted NNDR: commercial properties
Worcestershire Hub	Cost identified per district
Capital investment	Broken down into a cost per services based on the current budget. Investments have then been allocated to each district based on: <ul style="list-style-type: none"> • Benefits: Caseload • Weighted Council Tax: residential properties • Weighted NNDR: commercial properties

The weighted Council Tax and NNDR figures have been derived from:

- Current residential or commercial properties
- Deprivation weighting
- Daily bills weighting

Any further savings or further costs, when comparing to current budgets or further costs, will be shared on the same basis. For example, for every £1 of additional benefit when compared to the operational cost of the shared service operation will be shared on the basis of:

- If the saving relates to Housing Benefits the saving will be split between all councils based on benefits caseload for the period the saving relates
- If the saving relates to Council Tax the saving will be split between all councils based on the weighted Council Tax residential properties for the period the saving relates
- If the saving relates to NNDR the saving will be split between all councils based on the weighted NNDR commercial properties for the period the saving relates
- If the saving cannot be allocated to a particular service the saving will be split between the relevant services on the basis of:
 - Housing benefits 59.42%

- Council Tax 33.05%
- NNDR 7.53%
- And the basis identified above for each service will be utilised.

It should be noted that the above process will be used if additional costs are identified by the shared service operation unless a particular district requests additional services from the SSO. In this scenario the district council would agree with the SSO the additional costs that will be incurred as a consequence of the request and pay the SSO.

The table below summarises the operational cost and total shared services savings in totality and per district:

Fiscal Year		0	1	2	3	4	5	6	7	8	9	10
Fiscal Year Start Date		01-Apr-06	01-Apr-07	01-Apr-08	01-Apr-09	01-Apr-10	01-Apr-11	01-Apr-12	01-Apr-13	01-Apr-14	01-Apr-15	01-Apr-16
Fiscal Year End Date		31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17
(all figures in £000's)	Total											
Operational cost / (saving) excluding Hub												
Shared service centre	(14,707.93)	108.38	209.54	609.76	(1,340.67)	(2,017.49)	(2,046.24)	(2,046.24)	(2,046.24)	(2,046.24)	(2,046.24)	(2,046.24)
Split:												
Bromsgrove	(1,845.30)	13.77	29.65	79.72	(168.07)	(254.06)	(257.72)	(257.72)	(257.72)	(257.72)	(257.72)	(257.72)
Malvern Hills	(1,841.41)	13.57	26.25	76.35	(167.85)	(252.59)	(256.19)	(256.19)	(256.19)	(256.19)	(256.19)	(256.19)
Redditch	(2,091.45)	15.39	29.37	86.29	(190.66)	(286.76)	(290.85)	(290.85)	(290.85)	(290.85)	(290.85)	(290.85)
Worcester City	(2,694.82)	19.76	36.58	109.99	(245.71)	(369.14)	(374.38)	(374.38)	(374.38)	(374.38)	(374.38)	(374.38)
Wychavon	(3,013.95)	22.35	45.69	127.57	(274.63)	(414.20)	(420.12)	(420.12)	(420.12)	(420.12)	(420.12)	(420.12)
Wyre Forest	(3,220.99)	23.54	42.00	129.83	(293.75)	(440.73)	(446.98)	(446.98)	(446.98)	(446.98)	(446.98)	(446.98)
Operational cost / (saving) inc Hub	(11,239.86)	108.38	392.07	974.82	(975.61)	(1,652.43)	(1,681.18)	(1,681.18)	(1,681.18)	(1,681.18)	(1,681.18)	(1,681.18)
Split:												
Bromsgrove	(1,597.58)	13.77	42.68	105.80	(141.99)	(227.99)	(231.64)	(231.64)	(231.64)	(231.64)	(231.64)	(231.64)
Malvern Hills	(1,593.70)	13.57	39.29	102.43	(141.77)	(226.52)	(230.12)	(230.12)	(230.12)	(230.12)	(230.12)	(230.12)
Redditch	(1,100.58)	15.39	81.52	190.60	(86.36)	(182.46)	(186.54)	(186.54)	(186.54)	(186.54)	(186.54)	(186.54)
Worcester City	(1,703.94)	19.76	88.73	214.29	(141.41)	(264.84)	(270.08)	(270.08)	(270.08)	(270.08)	(270.08)	(270.08)
Wychavon	(2,023.08)	22.35	97.84	231.87	(170.32)	(309.89)	(315.82)	(315.82)	(315.82)	(315.82)	(315.82)	(315.82)
Wyre Forest	(3,220.99)	23.54	42.00	129.83	(293.75)	(440.73)	(446.98)	(446.98)	(446.98)	(446.98)	(446.98)	(446.98)
Total cost / (saving) inc Hub												
Shared service centre	(8,244.86)	148.38	1,292.07	2,209.82	(885.61)	(1,442.43)	(1,521.18)	(1,621.18)	(1,471.18)	(1,651.18)	(1,621.18)	(1,681.18)
Split:												
Bromsgrove	(1,217.05)	18.85	157.03	262.71	(130.56)	(201.31)	(211.31)	(224.02)	(204.96)	(227.83)	(224.02)	(231.64)
Malvern Hills	(1,218.71)	18.58	151.97	257.06	(130.51)	(200.22)	(210.08)	(222.60)	(203.82)	(226.36)	(222.60)	(230.12)
Redditch	(675.30)	21.07	209.31	365.96	(73.58)	(152.64)	(163.82)	(178.02)	(156.72)	(182.28)	(178.02)	(186.54)
Worcester City	(1,157.76)	27.06	252.86	439.51	(125.00)	(226.54)	(240.90)	(259.14)	(231.78)	(264.61)	(259.14)	(270.08)
Wychavon	(1,405.47)	30.60	283.44	486.55	(151.76)	(266.59)	(282.83)	(303.45)	(272.52)	(309.63)	(303.45)	(315.82)
Wyre Forest	(2,570.58)	32.22	237.45	398.03	(274.21)	(395.13)	(412.23)	(433.95)	(401.37)	(440.46)	(433.95)	(446.98)

The table above shows that after allocating costs on the basis identified above:

Operational saving before Hub

- Wyre Forest benefit the most from the savings sharing mechanism as they have the highest number of benefit caseload, weighted council tax and NNDR properties
- Malvern Hills benefit the least from the savings sharing mechanism as they have the lowest number of benefits caseload
- All councils are required to pay additional costs over current budgets in Year 0 (3 months prior to the “go live“ date of the SSO) however, these costs can be significantly reduced if existing staff can undertake the work in Year 1
- From year 4 onwards the total operational savings are £2m per annum

Operational saving including Hub

- Wyre Forest benefit the most from the savings sharing mechanism as they have the highest number of benefit caseload, weighted council tax and NNDR properties
- Redditch benefit the least from the savings sharing mechanism after allocating the Hub costs, the primary cause of this being the 4 additional Hub resources required in Redditch.
- All councils are required to pay additional costs over current budgets in Year 0 (6 months prior to the go live date of the SSO) however, these costs can be significantly reduced if existing staff can undertake the work, Year 1 and Year 2
- From year 4 onwards the total of savings are £1.681m per annum

Total cost / (saving) including Hub

- Wyre Forest benefit the most from the savings sharing mechanism as they have the highest number of benefit caseload, weighted council tax and NNDR properties
- Redditch benefit the least from the savings sharing mechanism after allocating the Hub costs, the primary cause of this being the 4 additional Hub resources required in Redditch.
- All councils are required to pay additional costs over current budgets in Year 0 (6 months prior to the go live date of the SSO), Year 1 and Year 2

Appendix F provides a detailed breakdown of costs and current budgets per district.

Accounting for the SSO

Joint Committees are normally not subject to Group Accounts rules as they are not classed as separate entities from the Local Authority. However care needs to be taken to ensure the structure set up is a true Joint Committee, the statutory rules normally only permit authorities to work together in discharging their responsibilities, rather than delegate these responsibilities to a separate organisation.

However the Joint Committee host Council will need to account for the costs e.g it would recognise the costs of any employees with whom it has a contract as its own expenditure in the Consolidated Revenue Account, with contributions from other parties being income.

Financial implications of termination

The councils need to legislate for termination within the JC governance agreement agreed between the authorities – both natural termination (if an end date is agreed) but more likely termination before that time by one or more parties (councils) probably at their request. This is a complex issue and requires legal advice. PwC are not legal advisors and as such the comments that follow are for information and cannot be relied upon as legal advice. The councils should take their own legal advice and act on this accordingly.

The impact of early termination would, in general, include:

- Potential under-recovery of deferred costs such as in relation to ICT or other capital investment.
- Costs associated with dismantling part of the relationship – legal and accounting costs for example.
- Additional costs for the remaining councils because the denominator in any calculation of unit costs decreases with which the outcome or unit cost increases.

Reputational issues.

- Potential knock-on effects in terms of the business of the SSO generally.
- An impact on the joined up public service planned to be delivered in Worcestershire.
- Additional costs for the terminating partner in effecting alternative arrangements.

The councils need to determine how each of these issues/costs/risks would be dealt with and assuming that there is broad based commitment to entering the SSO and the associated agreement, it would appear reasonable that if fewer than (all) councils wished to terminate that this should not be to the detriment of the remaining councils. The councils will need therefore to agree whether this rule should apply and how, if that is the case or otherwise, terminating partners need to recompense the remaining authorities for the impact of their actions. **This is a key issue to include in the governance agreement.**

Assumptions and dependencies

The critical assumptions made in developing the outputs in the financial model include:

Staffing

The staffing numbers have been developed based on:

- A Programme / Project Manager will be appointed at the commencement of the Implementation Period
- A Shared Services Revenues and Benefits Manager will be appointed by the start of the implementation period

- The majority of the Revenues and Benefits service will be delivered by the Worcestershire Hub and the SSO, with the Hub delivering the same level of service across all channels and all councils areas, and the SSO delivering a consistent, high quality service in the processing of transactions and in any direct contact, for example, through home visits. The aim is that most direct customer interaction will be through the Worcestershire Hub.
- There will be retained local identity which would include recognition of the constituent councils in their interaction with the public, both by the Hub and the SSO. This would also extend to the localisation of discretionary policies, where such discretions exist, but the councils may wish to take the opportunity to rationalise these in order to standardise the SSO's operation.
- The performance target is to be "better than the best", meaning the best in Worcestershire. Rather than focusing on every individual indicator of performance, the revenues and benefits teams should agree a small number of key indicators (say 6-10) and the target performance for each.
- The SSO will use single, common IT systems for Revenues and Benefits and document management, with high levels of integration to other systems such as the customer relationship management system.
- Common policies and procedures will be used throughout the organisation, including at the point of contact with customers in the Hub.
- There will be an increase in the proportion of transactions dealt with to completion at the first point of contact. This will be achieved by capturing, validating, processing and work-flowing information electronically to provide a deeper level of service, produce provisional calculations for customers and generate data files which could be loaded automatically into the core IT system
- Customer information will be captured and processed electronically wherever possible, in service centres, in self-service channels and in mobile computing.
- Service Level Agreements (SLAs) will exist between the SSO and the Worcestershire Hub. These will include the scope, standard and performance level of services to be delivered, dependencies and obligations on the counter-party and financial arrangements.

ICT

- The ICT support for the shared service would be hosted by one council.
- The other districts office accommodation will be set up as "satellite" hot desk environments.
- There will be facilities for flexible and mobile working, and appropriate mobile technologies would be provided to support "doorstep services", as required
- The key aspects of the ICT implementation for the Revenues and Benefits SSO will be completed within a two year period.
- The County's Wide Area Network would provide the network links between the host and "satellite" offices.

Support services

- The host authority will take responsibility for the provision of all support services, with the potential to procure some aspects of services from the partners as necessary
- The SSO management will ensure that its call on support services will be kept to the minimum, with as much work carried out within the SSO as possible. This is particularly the case with regard to administration and legal services.
- The SSO's requirements for office accommodation will be:

- large space at the host council at a total cost of £150k per annum,
- smaller space at each of the other councils at a total cost of £20k per annum per council and
- maximum use of flexible workspace, with few person-specific workspaces.

Risk analysis

Risks are possible events that may happen at some time in the future and that may adversely affect the direction of the Shared Services implementation and the delivery of the desired benefits. Risks will require positive management to reduce the likelihood of happening, their negative impact on the initiative or both. Risk management aims to keep the Shared Service implementation programme's exposure to risk at an acceptable level. It is never possible to remove all risks. In fact, some risks may actually present positive opportunities to improve some aspects of the programme.

It is therefore important that managing risks is formally incorporated into the implementation programme on all levels, leadership and delivery team. A detailed analysis of risks should be performed as part of the detailed implementation planning and at all major programme milestones.

For the purpose of the business case risks and their potentially negative impacts should be viewed as potential costs to the programme. Funding for potentially required mitigation actions need also to be provided for in the implementation budget.

Please also refer to the financial assumptions set out on page 47

No	Risk	Impact	Mitigation
Governance related			
1.	Delay in decisions – a delay in individual councils making a decision	<ul style="list-style-type: none"> • Delay in start date and thus delay in benefits. • Individual authorities may progress individual plans in terms of service and ICT developments. 	<ul style="list-style-type: none"> • Clear plan for getting approval with dates of all cabinets / councils.
2.	Individual authorities continue to work in isolation and make decisions for example ICT investment decisions that will adversely affect future opportunities for Shared Service	Increased cost to achieving benefits	<ul style="list-style-type: none"> • Establish the Joint Committee or an interim joint leadership arrangement as soon as possible. • Clear and effective decision making processes and escalation procedures. • Overall responsibility for a Shared Service programme must be dedicated to the Joint Committee and robust programme management applied.

No	Risk	Impact	Mitigation
3.	Lack of ownership across and within partner authorities and different levels of commitment to the Shared Services agenda	Ineffective decision making, risk and issue management. Individual authorities may progress individual plans.	<ul style="list-style-type: none"> The project must be jointly owned by all partner authorities and the Joint Committee or an interim joint leadership arrangement needs to be established as soon as possible. Members must be adequately engaged in governance Secure sufficient funding for the initiative
4.	Failure or delay to agree on host authority	Delay in start date and thus delay in benefits. Individual authorities may progress individual plans in terms of service and ICT developments.	<ul style="list-style-type: none"> Establish the Joint Committee or an interim joint leadership arrangement as soon as possible. Clear and effective decision making procedures Transparent selection process
5.	Members remain loyal to own organisation rather than SSO	Best interests of the SSO are not represented or secured.	<ul style="list-style-type: none"> Ensure that JC partnership agreement is effective and monitored as part of overall performance management.
6.	Poor relationship between Governance body and ops management	Poor overall management	<ul style="list-style-type: none"> Officer/ governing body protocol for effective working.
7.	A "No-Go" decision by any of the individual councils	<ul style="list-style-type: none"> Potential delays to implementation. Reduced benefits for other authorities. Lack of consistency and efficient operations across the Hub. 	<ul style="list-style-type: none"> Dialogue with the councils to keep them on board.
HR related			
8.	Short circuiting (statutory) consultation process and subsequent industrial relations problems.	Staffing efficiencies may not be achieved in the current planned timescale. Service standards may not be improved in line with the current plan	<ul style="list-style-type: none"> Ensure robust consultation process is agreed and implemented across all participating authorities. Open, transparent and timely process of communication/consultation.
9.	Industrial unrest	Knock on effect on other parts of the org	<ul style="list-style-type: none"> Appropriate TU consultation and involvement.
10.	Equal pay claims issue	Increased cost of SSO operation including fines and penalties	<ul style="list-style-type: none"> Take and act upon HR/legal advice.
11.	Absence of robust recruitment policy	Leads to delays in appointment of key staff and the final pay structure	<ul style="list-style-type: none"> Develop and seek to agree with trade unions and participating authorities a single recruitment policy

No	Risk	Impact	Mitigation
12.	Unions challenge transition processes	Delay in benefits realisation and increase in implementation cost	<ul style="list-style-type: none"> Seek Union agreement to consultation, communication and transition plans and ensure effective implementation of these plans.
13.	Delay in appointment of the right calibre of individual to the senior management post (and further management posts) in the right timeframe is key	<ul style="list-style-type: none"> Delay in start, leading to a potential delay in benefits being achieved. Lack of clear leadership. Performance “dip” may occur. 	<ul style="list-style-type: none"> Ensure position is positioned well in the market place. Advertise nationally. Robust and challenging assessment and selection process
Performance/Change/Implementation related			
14.	Ineffective management and delivery of the change	<ul style="list-style-type: none"> Staff and other stakeholders not engaged. Confusion Performance “dip” during the transition Benefits not realised 	<ul style="list-style-type: none"> Business case includes provision for resources to support implementation and transition. These resources must be given clear leadership and be put in place at the earliest opportunity. Clear communication plan put into action
15.	ICT implementations delayed	Delay staff/other savings. Could lead to cost overrun on ICT implementations	<ul style="list-style-type: none"> Strong Programme manager in charge of the overall Programme for change. Careful implementation planning and early discussions with suppliers for new ICT solutions.
16.	Poor management by each of the authorities during the transitional period including reputation management	Performance “dip” during the transition period.	<ul style="list-style-type: none"> As above – ensure resources as detailed in the business case are put in place at the earliest opportunity. Communication with all stakeholders
Finance/resources related			
17.	Insufficient funding to support implementation	Implementation does not go ahead properly	<ul style="list-style-type: none"> Resource properly from day 1.
18.	Failure by individual authorities to reduce their residual support service costs	Each authority may not realise the full benefits of this project or increase the cost within individual authority.	<ul style="list-style-type: none"> Clear ownership from treasurers to understand the cost and realise savings Authorities to consider other Shared Service opportunities, e.g. Hub, ICT, HR
19.	SSO makes an operating loss.	Additional costs to the councils unless this can be met from accumulated surpluses	<ul style="list-style-type: none"> Strong financial management Sound budgeting Regular timely and appropriate management reporting and action there upon.
Environmental change related			

No	Risk	Impact	Mitigation
20.	Change of political control within the partner councils leads to poor support	Less support for the solution by individual authorities	<ul style="list-style-type: none"> • Make sure that members are included involved sign up to governance arrangements • Member reps in implementation
21.	LGR leads to change of structure in Worcs	Uncertainty, different demand for SSO services	<ul style="list-style-type: none"> • Inbuilt flexibility SSO is a better solution in itself in this regard.
22.	Change in need for R&B service (say from DCLG/DWP)	May lead to the R&B Shared Service no longer being needed in the current format. Low probability; impact high,	<ul style="list-style-type: none"> • Ensure in-built flexibility to adapt to changes • NB – councils carry this risk already
23.	DWP significantly changes requirements for Housing Benefits and/or DCLG for CT/NNDR	Leads to changes required in current operating model including potential abortive costs.	<ul style="list-style-type: none"> • Ensure current risk management procedures are consistent and effective across authorities as all authorities face this risk regardless of the Shared Services agenda • Keep track of changing DWP/DCLG agendas • Take on board changes ASAP • Remain close to professional groups for insight
Performance related			
24.	Performance variance during transition or afterwards	Loss of Housing Benefit subsidy and reduced Council Tax and NNDR collection. Negative impact on reputation through reduction in service quality. Failure to achieve performance targets as key benefits of the project.	<ul style="list-style-type: none"> • Ensure adequate back filling and effective transition management is included in the implementation plan
25.	Ultimate performance levels are not reached	As above	<ul style="list-style-type: none"> • Ensure appropriate management of the change including effective benefits realisation

Sensitivity analysis

To consider the robustness of the above analysis (the standard analysis), sensitivity analyses have been undertaken on the figures based on:

- Two scenarios have been modelled based on the number of councils involved in the Shared Service. This is based on revised staffing numbers and revised ICT investment and running costs:
 - 5 councils – in this instance we have assumed that Redditch budgets are removed from the SSO, the primary reason for this being to remove one of the smallest councils from the SSO
 - 4 councils in this instance we have assumed that Redditch and Wyre Forest budgets are removed from the SSO, the primary reason for this being the removal of one small and one large council from the SSO
- Bromsgrove host the SSO – this leads to different residual costs within the SSO

The table below summarises the position over the 10 year period for each sensitivity:

Sensitivity analysis	Total 10 year position			
	Core proposition	5 councils	4 councils	Bromsgrove host
Shared Service Centre	Total	Total	Total	Total
Current cost				
Housing Benefits Sub-total	63,698,720	54,986,020	40,417,120	63,698,720
Council Tax Sub-total	35,427,360	31,100,660	24,954,660	35,427,360
NNDR Sub-total	8,075,520	6,982,320	6,161,120	8,075,520
Total current cost	107,201,600	93,069,000	71,532,900	107,201,600
Shared Service Operation				
Housing Benefits	49,486,639	43,806,008	32,969,729	49,486,639
Council Tax	28,495,066	25,273,667	20,835,223	28,495,066
NNDR	6,521,189	5,666,675	5,107,426	6,521,189
Revenue and Benefits Transformation costs	1,869,250	1,434,875	1,293,625	1,869,250
Total	86,372,144	76,181,225	60,206,004	86,372,144
Capital Investments				
ICT	2,995,000	2,595,000	2,326,667	2,995,000
Total Capital	2,995,000	2,595,000	2,326,667	2,995,000
Total Shared Service Cost	89,367,144	78,776,225	62,532,670	89,367,144
Operational cost / (savings) before Hub and residual costs	(20,829,456)	(16,887,775)	(11,326,896)	(20,829,456)
Savings / Additional cost before Hub and residual costs	(17,834,456)	(14,292,775)	(9,000,230)	(17,834,456)
Operational costs funding:				
Operational costs / (saving) versus current budget	(20,829,456)	(16,887,775)	(11,326,896)	(20,829,456)
Adjusted for:				
Additional Hub staff costs	3,468,066	2,477,190	2,477,190	3,468,066
Residual costs	6,121,525	4,861,675	3,200,838	5,612,438
Real operational costs / (saving)	(11,239,864)	(9,548,910)	(5,648,868)	(11,748,952)
Investments	2,995,000	2,595,000	2,326,667	2,995,000
Total shared services cost	(8,244,864)	(6,953,910)	(3,322,202)	(8,753,952)
Variance to core proposition				
Operational cost / (saving) versus current budget		1,690,955	5,590,996	(509,088)
Savings / Additional cost versus current budget		1,290,955	4,922,663	(509,088)

The table above shows that:

Operational cost including Hub

- If there were 5 councils in the SSO the benefits would reduce by £1.690m over the 10 years from the core proposition of £11.240m to £9.548m
- If there were 4 councils in the SSO the benefits would reduce by £5.591m over the 10 years from the core proposition of £11.240m to £5.648m
- If Bromsgrove host the 6 council SSO the benefits would increase by £0.509m over the 10 years from the core proposition of £11.240m to £11.749m.

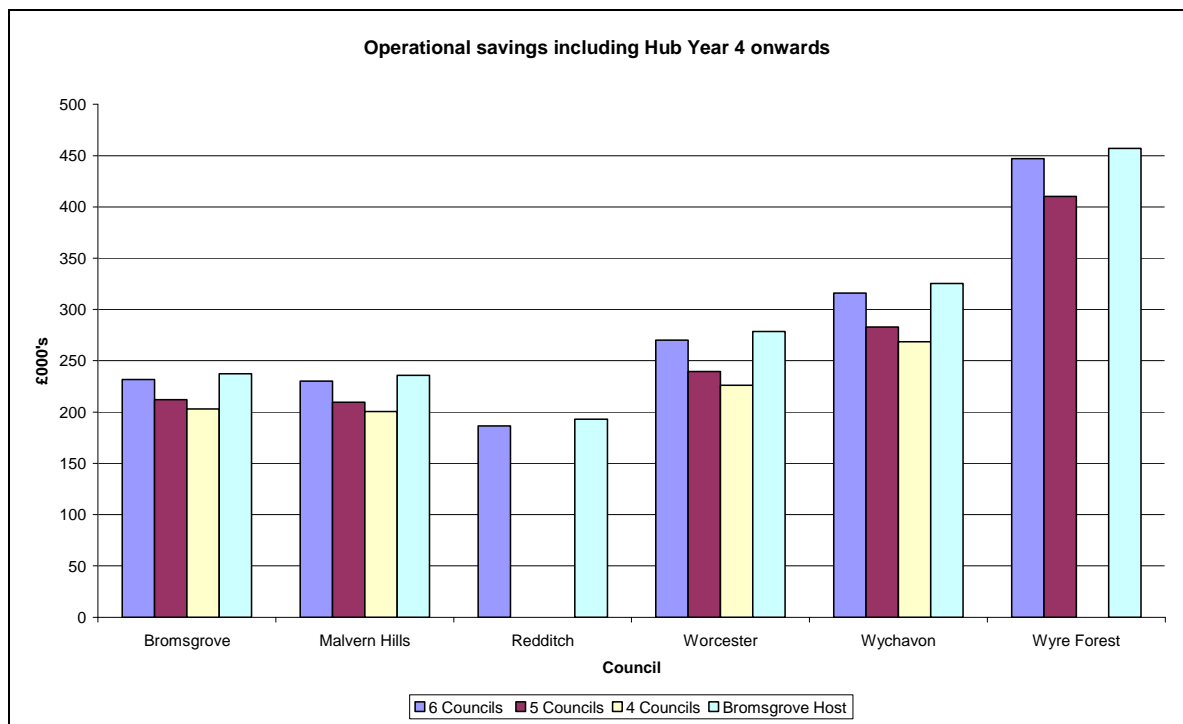
Total cost / (saving)

- If there were 5 councils in the SSO the benefits would reduce by £1.290m over the 10 years from the core proposition of £8.245m to £6.953m
- If there were 4 councils in the SSO the benefits would reduce by £4.923m over the 10 years from the core proposition of £8.245m to £3.322m
- If Bromsgrove host the 6 council SSO the benefits would increase by £0.509m over the 10 from the core proposition of £8.245m to £8.754m

The operational savings including the additional Hub staff costs (before the allocation of investments) per Council per annum from year 4 onwards for each scenario is shown in the table below:

Operational savings inc Hub Year 4 All figures in £000's	Bromsgrove	Malvern Hills	Redditch	Worcester	Wychavon	Wyre Forest	Total
6 Councils	(232)	(230)	(187)	(270)	(316)	(447)	(1,681)
5 Councils	(212)	(210)	0	(240)	(283)	(410)	(1,355)
4 Councils	(203)	(201)	0	(226)	(269)	0	(898)
Bromsgrove Host	(237)	(236)	(193)	(278)	(325)	(457)	(1,727)

The table shows that each councils operational savings decrease for each scenario where a council chooses not to sign up to the SSO. For example Bromsgrove's benefits decrease by £20k per annum (£232k to £212k) from year 4 onwards if one council does not sign up to the SSO and decreases in totality by £29k per annum (£232k to £203k) from year 4 onwards if two councils do not sign up to the SS). The chart below provides an alternative view of the savings per council for each scenario:



The key driver for the decrease in benefits for fewer councils include:

- Management costs – the overall R&B SSO manager is still required if it is 4, 5 or 6 councils. If there are fewer councils involved the cost is spread over fewer councils
- Staffing efficiencies – the staffing efficiencies for 6 councils equates to 23% in terms of headcount from the beginning of Year 3 however, for 5 or 4 councils the staffing efficiencies are 20%. The ability to make FTE efficiencies for fewer councils therefore has a detrimental affect on the overall position
- ICT costs – the ICT investments and running costs are of a fixed and variable nature. Where costs are fixed the sharing of those costs is more efficient if councils sign up for the SSO. The fewer the councils the more inefficient the cost sharing becomes. Where costs are of a variable nature there is limited

inefficiency for fewer councils

- Support Services – again the support service costs are a mixture of fixed and variable costs. For example the support service costs for 6 councils excluding ICT equates to £1.27m however, for 5 councils the support service costs are £1.11m.

Ability to achieve overarching objectives with fewer councils

Should fewer councils sign up for the shared service operation the following objectives may not be achieved or will be more difficult to achieve:

- Performance of the Hub – the councils are seeking consistency in terms of the performance of the Worcestershire Hub to customers for the R&B service. Should 1 council or more choose not to participate in the SSO this may lead to inconsistencies with the Hub service performance unless the Council continues to make the investments and improvements suggested.
- Efficiencies – as demonstrated above whilst efficiencies are still made through fewer councils they do reduce. It is also important to note that further investments, should the councils choose to join at a later stage, may be higher than originally anticipated from all councils signing up on Day 1.
- Sharing specialist resource – the ability to share resources may be reduced to the number of councils entering into the SSO.

Checklist for fewer councils

Should the number of councils signing up to the SSO be less than 5 the councils will need to review the following assumptions:

- Staffing structures
- Performance metrics
- Governance structure in particular any agreements within the contractual documentation
- Host authority decision making criteria
- ICT requirements
- Accommodation requirements
- Support service requirements

Performance management arrangements

Performance Management is an important component of the SSO arrangements as it will determine the influence each council has for reviewing actual performance and setting ongoing annual targets. Performance management is a key measure in terms of:

- Developing a sustainable operation,
- Ensuring the development and maintenance of a positive and proactive partnership

The SSO will establish targets for Key Performance Indicators (“KPIs”) for one or more years of the SSO’s operation. The intention will be to agree a rolling programme of KPIs based on a three-year time horizon. The three year targets will be reviewed on a rolling basis each year for the following three years. So, for clarification, year 4 will be agreed towards the end of year 1, year 5 towards the end of year 2 etc.

Each authority will identify an officer with responsibilities for monitoring performance and liaising with the SSO.

Reporting performance

Delivery of services will be controlled by the SSO management team. This group will have day-to-day responsibility for operational service delivery. They will produce a monthly service report which will include:

- A statement of performance against the agreed KPIs
- A narrative section describing any highlights or issues experienced during the period
- A statement of actions taken to address problems or improve performance

The service reports will be issued to a circulation list agreed by the partners and can be amended at any time. More frequent reports can be provided for certain services or events.

Monthly reports will be reviewed formally by the relevant board.

The management team will also produce quarterly and annual reports that provide an opportunity to reflect broadly on the progress made by the Partnership. Within these reports, it will be important to show the progress made on the fundamental outcomes of the Partnership.

Change Control procedures

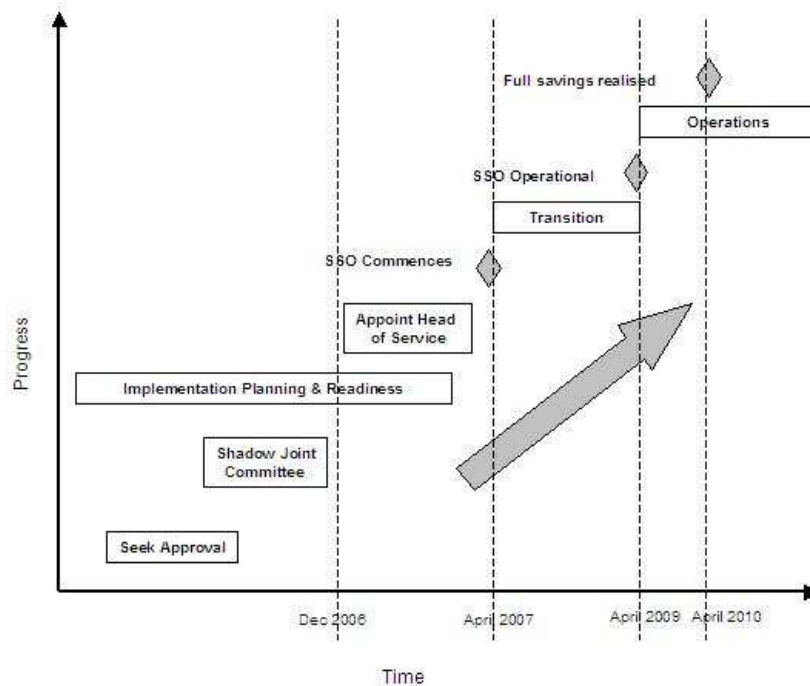
The contractual arrangements will need to make provisions for change control, particularly to allow a Council who requires focus in a particular performance area at any stage during the SSO for example, prior year Council Tax debt collection. The change control arrangements will need to cover:

- The process for raising performance issues which are outside of the standard KPI performance monitoring
- The agreement required by all parties within the governance
- The review process for calculating the impact of the change in terms of service performance, implementation and any potential

- A reprioritisation process for all parties to agree. Reprioritisation is the financial or operational accommodation of a change without any change to the overall cost to deliver the service. Reprioritisation will need to be agreed by all parties and could include the reprioritisation of resource, outputs, deliverables, service levels, KPIs or other similar changes.
- If a change cannot be accommodated without additional costs being incurred the Council requiring the change will be asked to fund the additional costs.

Implementing the proposals

The implementation plan can be summarised as follows:



This shows the overall journey to establish and operate the Shared Service. It is recommended that a “Shadow” Joint Committee be established as soon as possible following approval, in order to oversee the implementation and development of the Shared Service. It is proposed to appoint to the most senior post in the first part of 2007 and establish the Shared Service arrangements from 1 April. There is clearly a considerable amount of work to do to make the Shared Service fully operational and the current model indicates a two-year period for this. Once operational, the benefits of service improvements and cost savings will start to be realised.

This will be a very large project involving significant numbers of employees and processes in six organisations, affecting all of the residents and businesses in Worcestershire. The services involved are highly visible, and their performance is constantly under scrutiny both locally and nationally. The partners’ “performance journey” over recent years has been one of constant improvement, year-on-year. It is therefore vitally important that the project, and the change programme associated with it, does not interfere with the continuation of this performance journey during the transition period.

The Business Case anticipates the need for substantial investment in dedicated resources for the project. It provides the funding for a whole range of project managers, temporary employees and subject experts to supplement the in-house team of council resources.

It is expected that the councils will appoint a dedicated programme / project manager to drive the shared service implementation forward on a daily basis, overseen by the new manager for the service and the Joint Committee members.

The West Midlands Regional Centre of Excellence has awarded the partnership £100k of grant towards the costs over the next six months of project planning and the early stages of implementation. This will be very helpful in ensuring that the partnership is able to make a fast start on the implementation once all of the partners have made their decisions.

However the Business Case identifies that there is likely to be a need for further funding in 2006/07 for additional pre-implementation costs.

The change programme associated with this proposal is very large, and a bid is in the course of preparation to the Government Officer for the West Midlands for Capacity Building fund grant to support the costs of the training and awareness-raising programmes that will be needed to ensure corporate ownership and buy-in, and to increase the partners' capacity to support the implementation.

There are a number of key issues that need to be considered for the implementation of the Shared Services Organisation (SSO):

Host authority

The host authority will be defined as soon as possible. The councils have already undertaken some options analysis but this will need to be progressed with the constituent councils. Once the host has been established, the host and partners will need to consider arrangements for the migration of certain operations to that authority, along with staffing, accommodation, ICT and other implications. There is limited (if any) financial impact of choosing different host authorities.

Scalability

The proposals reflect scalability in two key respects:

- Taking on further services within the SSO – the plan already includes extending the services offered under Revenues and Benefits to include related services such as Third Age but it would also allow the expansion of the shared service to include other services such as ICT.
- Scalability to include further partners – it is not anticipated that these would be allowed access to the governance arrangements but there is a strong opportunity to deliver services (initially) to other councils as customers of the SSO. The impact of less than all six authorities joining from day one has also been modelled.

Service performance

The current wide variance in performance will have to be closed whilst ensuring that existing high performance levels can be maintained. This will be achieved in three stages:

- Stage 1: maintained performance during transition and for the first year immediately following the launch of the SSO;
- Stage 2: improved performance to a consistent level across the county equal to that of the currently highest performing authority;
- Stage 3: improved performance of the SSO to be 'better than the best'.

For more details on the performance targets please refer to **Appendix H**

Programme and Change Management

Programme and Change Management will be key to the successful delivery of the Shared Service. This will include the development of various documentation including:

- This business case;
- Cost benefit analysis;

- Programme plan;
- Risk and issues log, mitigation strategies;
- Communications plan
- Consultation plan.

Approval of Shared Service operation

In order for the implementation of the Shared Service to be smooth and for the project to be successful going forward it is essential that the correct approvals and delegations are in place from the outset. The timing of each of the executive approvals in particular must be managed so that delays do not occur.

People, Human Resources and Change

The implementation of the human resources stream of the project will be closely linked with the Programme and Change Management agenda. The implementation of the SSO is likely to be a period of concern for staff, ensuring consultation takes place as early on as possible and is open and honest will assist in allaying any concerns. Once the host authority has been identified it will play an important role in ensuring staff are comfortable with the secondment and eventual TUPE transfer.

Management positions will be advertised and appointments made to a host authority. All other posts will be filled on a top down basis with recruitment being ring fenced only to persons employed in Revenues and Benefits within the constituent authorities. Where possible, staff will be directly allocated to new SSO posts. All staff will be seconded to the host authority and therefore existing pay and terms and conditions of service will remain unchanged. This will initially lead to inconsistencies in pay and terms and conditions within the SSO. Staff consultation will also start as soon as possible. To ensure appropriate consultation the consultative model tried and tested during the creation of the Hub will be implemented. The SSO employment model suggests an overall reduction in FTEs. However natural 'wastage' through turn over and retirement should naturally reduce 'surplus' and therefore large redundancies and early retirement options will not have to be considered. Existing employees who are not appointed or transferred to a post in the SSO will be considered where possible for re-deployment to a suitable alternative post in any of the constituent authorities. Once a proposed organisation structure has been agreed it will be necessary to develop job descriptions and person specifications and to perform job evaluations. All seconded employees will be transferred to the host authority once all requirements for TUPE transfer have been met.

There will be a considerable amount of work required from each authority in order to ensure a smooth TUPE transfer process. This will include:

- Carrying out the TUPE consultation process;
- Holding additional briefings and sessions for staff; and
- Transferring payroll and staff information.

Customers/Services/Channels

This workstream will include consultation with one of the key stakeholders to the Shared Services project, the customers. Each authority will need to contribute to the consultation, ensuring that the benefits of the service are clearly articulated. Customer service standards will need to be agreed across the authorities and published through a customer charter.

Current channels open to customers will need to be documented, compared across authorities and decisions about how such channels will be dealt with by the SSO.

Processes and Performance

There will be a requirement to standardise practices and procedures in order for the Shared Service to run effectively and efficiently. Current processes and performance will need to be documented including mapping of current processes and backlog issues.

ICT/Data

The ICT/Data workstream will include the key task of procuring a Revenues and Benefits system. This procurement will be key to the success of the project and will give rise to a number of the benefits expected through the development of the Shared Service. The implementation of the system will require:

- Mapping of the current infrastructure and applications;
- Consideration of opportunities for enablement of technology;
- Development of IT and data strategies
- Definition of baseline performance for ICT
- Transfer of relevant systems to the host authority
- Convergence of current IT systems
- Integration of IT systems.

Infrastructure

In order for the full benefits of the Shared Service to be realised, infrastructure will be required, for example a post opening and scanning facility and the necessary technology for mobile working.

Governance

The implementation of the Shared Service will include the establishment of an agreed governance structure, the formation and appointment to the joint committee and the arrangement of governance meetings. Budgets and a scheme of delegation will need to be agreed.

For further details on the proposed Governance arrangements please refer to **Appendix E**.

Links to other shared services

The Revenues and Benefits Shared Service will build on the existing shared service infrastructure, the Worcestershire Hub, to provide a holistic and integrated service solution for customers. To achieve this, the Hub providing the customer facing component of the service needs to be linked by a symbiotic relationship to the Shared Service Organisation (SSO) providing transactional processing functions in the back office.

As a result of the interdependent relationship between the Hub and the SSO the Worcestershire councils need to decide how the governance of the Hub and Revenues and Benefits will be integrated. The councils may wish to consider whether to establish a Joint Committee, the Worcestershire Shared Services Partnership, to provide an umbrella organisation leading the shared services agenda for Worcestershire with initially two sub-committees for the Hub and Revenues and Benefits shared service. This would allow a more defined role for members, clear accountability and reporting suitable for future expansion to other services for example ICT and HR thus allowing maximum scalability.

Improved service provision focused on customers is at the heart of the shared service agenda for Worcestershire. Centralising related or common customer facing services could be added to extend the scope of the Revenues and Benefits shared service. For example the councils

may wish to consider introducing a common assessment service integrating benefits, housing and other related assessments where the customers' entitlement is assessed against a set of criteria thus simplifying the assessment processes and reducing waste and duplication for the councils and the customer.

Communication

Communication is about creating a dialogue with all stakeholders. It aims to create clarity about the shared service vision, to secure buy-in and commitment and maintain momentum throughout its implementation and ultimate success. It is critical that communication includes all stakeholders and is appropriate for the audience. Communication needs to be driven by the Joint Committee and needs to engage key stakeholders including members, staff, unions, customers, the press, partners and suppliers, government bodies such as local authorities' inspectors and the audit commission. Whilst communication should be lead by the Joint Committee it is important to note that all stakeholders play a key part in the communication process and should be actively involved. The councils should consider appointing communication champions for all audiences.

The information provided to stakeholders needs to address their key interests and concerns and needs to answer key questions that will allow them to play an appropriate and effective role during the realisation of the shared service vision. Key messages need to include:

- The reasons for the change and its objectives;
- The benefits that can be achieved for all stakeholders;
- The vision and plans including key milestones;
- The effects of the change for example progress updates and performance improvements.

It is vital that communication is timely and regular to help stakeholders to effectively contribute to the shared services effort. More importantly it will help to avoid the development of unnecessary uncertainty through rumours and misunderstanding. The councils should consider establishing regular communication methods such as newsletters, press releases, progress reports, conferences and workshops. Appointing a dedicated communications manager to coordinate communication across all authorities throughout the shared services implementation will be important.

Infrastructure (ICT and Accommodation)

A shared services Head Quarter 'HQ' will be established where the SSO management team will be centrally located in office accommodation provided by the Host Authority. Staff providing support services, specialist service providers including NNDR, fraud, common business services and scanning functions will transfer to the HQ.

The vision for the Revenues and Benefits Shared Service is based on the concept that co-delivery does not equal co-location. Therefore the location where Revenues and Benefits back office functions are performed is less relevant thus offering flexibility regarding office accommodation. Staff will be encouraged to work from home or any suitable office location provided by each participating authority on a "hot desking" basis. Other council buildings such as libraries or leisure centres will also be added to the location alternatives.

To support the delivery of the shared services vision, the ICT support service delivery must meet four overall objectives:

- The provision of suitable systems and equipment to run the Revenues and Benefits shared service;
- The Provision of a stable infrastructure to support the Revenues and Benefits shared service;

- The development of standardised processes and procedures to optimise efficiency; and
- The provision of appropriate ICT support once the SSO is established.

Because these objectives cannot be met overnight a longer term strategy is required which is divided into three stages:

Stage 1 – Transfer

The focus of this stage is to establish and stabilise the new operation. During this stage it is important that the infrastructure is in place to provide Revenues and Benefits services and minimise service disruptions whilst logistical changes in ICT take place. These changes include:

- The Revenues and Benefits ICT facilities (hardware and software) should be transferred to the host authority at the earliest opportunity.
- The Revenues and Benefits accommodation at the host and satellite sites should be adapted to take account of any staff location / accommodation changes.
- Facilities for mobile working should be put in place to meet flexible working time-scales and requirements.

Stage 2 – Achieving Efficiencies

Once the shared service is established and stabilised, the next stage aims to optimise efficiency. This will involve standardisation of processes and procedures but also re-designing processes and introducing new processes to ensure they can effectively support the shared service and achieve the desired outcomes.

Stage 3 – Convergence

By this stage of the implementation, more will be known about the future of the SSO. Some possible options for this stage include: Outsourcing of the ICT facilities, linking up with a major ICT services provider or effectively in-house maximisation of emerging technologies. There are two aspects to this stage:

- Planning and implementing the convergence of the six authorities' Revenues and Benefits ICT systems. This may take many forms from convergence to a single system on a single hardware platform, to full external hosting. The likely scale of the undertaking would require a full OJEU procurement process.
- Establishing sustainable ICT support arrangements for the SSO. This may involve anything from the SSO having its own ICT support, to the full externalisation of the ICT support service for the SSO.

Transition and resource planning

The experience of developing the Outline and Detailed Business Case highlight the importance of dedicated resources for the success of the Revenues and Benefits shared service effort. The councils should identify relevant internal resources to dedicate to this initiative. External resources such as subject matter experts on establishing a Shared Service Organisation, Revenue and Benefit, business process re-design and programme management could supplement the team of council resources.

The councils should consider appointing a dedicated programme manager to drive the shared service implementation forward on a daily basis. It will be important that the programme manager is equipped with the appropriate authority to make day to day decisions on behalf of the Joint Committee during implementation.

To ensure business as usual is maintained i.e. service performance is maintained during transition and that benefits from the SSO will be fully realised in each authority the councils

will make arrangements to ensure the change is managed. Transitional and change management costs required for maintaining performance during transition have been considered in the financial model of the business case.

Revenues and Benefits

The transition from current service delivery arrangements to a shared service for Revenues and Benefits involving all six councils within Worcestershire would be a major project requiring significant resources over a period of two to three years.

An implementation team would be needed to manage the project and co-ordinate the project phases and the tasks. Ideally the team would include a mixture of Revenues and Benefits practitioners with local knowledge and experience together with expert support in the fields of project management and business process review.

Any resources drawn from existing service teams within the councils would need to be back-filled in order to maintain current service levels. During the transition period, and particularly at times of key changes such as IT systems changeover, there would be a need for additional resources to be brought in, a resilience team, to avoid any dip in current performance levels.

Key tasks for the implementation team would include:

- Involvement in confirmation of roles and responsibilities in the new organisation, including production of job descriptions and job evaluation;
- Review of current service strategies and policies, including local discretions;
- Review and revision of all processes and procedures across the service including Benefits, Fraud, Council Tax and Business Rates;
- Analysis and review of the Hub interface across all channels – telephone, internet and in person – in conjunction with Hub managers, including review of processes and opportunities for integration and use of electronic forms;
- Review of all forms, letters and other customer literature in use across the service, including the scope for use of other media;
- Agree customer service standards in conjunction with Hub managers;
- Creation and organisation of the specialist teams and movement of staff who are relocating;
- Specification of requirements and investigation of options for move to a common IT systems platform;
- Identify options for flexible working, home working, mobile working;
- Specify requirements and identify options for the central post and scanning facility;

Maintain regular communication and consultation with all stakeholders throughout the project

Support Services

Essentially, the key events in relation to support services are as follows:

- December 2006 – all of the necessary decisions have been made to ensure that the project can start immediately.
- January to March 2007 – preliminary work undertaken, using resources made available by the partners and additional resources provided through the implementation plan, and any additional external funding that is obtained.
- April 2007 to March 2008 – convergence of support service resources and activities to the host authority, whilst maintaining the necessary demands within each of the partner councils. Achievement of the early reductions in costs within each of the non-host partners.

- April 2008 to March 2009 – host authority providing all of the support services. Achievement of significant cost reductions within the non-host partners.
- April 2009 to March 2010 – host authority providing all of the support services. Achievement of most of the remaining cost reductions within the non-host partners.

ICT

A three year implementation period was felt to be optimum, from the ICT point of view. This would allow for the orderly transfer of equipment and staff to the Revenues and Benefits SSO, standardisation of processes and procedures, along with a reasonable time-scale for acquiring a “new” system. However, in order to deliver benefits earlier, it was felt that a two year time-scale was more appropriate. From an ICT point of view this would be more ambitious, but still achievable. However, it will rely not just on the availability of ICT resources – which is assumed from within the partnership – but also the availability of users to engage in the key activities at the appropriate times during the implementation.

Transitional issues - a number of possible requirements / issues can be anticipated:

- External ICT resources, to overcome any skills shortages / lack of capacity depending on the timing and speed of the ICT relocation phasing. Close co-operation (at the very least) between the partners’ ICT support teams will be required to minimise this requirement.
- Additional user equipment to support any additional temporary staff that may be employed to minimise the impact on service levels during the implementation
- Two authorities (Worcester CC and Wychavon DC) currently operate DIP / EDM systems corporately. Other Districts are also in the process of extending the use of DIP more widely than Revenues and Benefits. This is a rapidly evolving area, which will need to be reviewed at the point of any decision to go ahead with Shared Services.
- This issue would increase the complexity of providing DIP / EDM to the Revenues and Benefits service, if located at another site. There are two main options to get around this problem:
 - Disentangle the Revenues and Benefits documents and transfer to a separate server, and relocate the Revenues and Benefits server to the Revenues and BenefitsSSO HQ. The estimated costs of resolving this problem would be approximately £100,000 for either (or both) authorities – depending on the host authority chosen
 - Or establish sufficiently speedy / robust / etc communications links between any remote DIP systems and the relevant Revenues and Benefits SSO HQ - based servers.

The former option may involve some transitional costs (estimated at £100,000 per instance), but would be a more robust solution than the latter, which would involve significant risk to the quality of service, particularly in the short term.

Financial Issues

There are a number of transitional costs required to implement the shared service operation and to ensure the objective that service delivery must not dip during transition. The revenues and benefits and support service implementation costs required from 2006/07 to the end of Year 3 of the shared service operation are summarised in the table below:

Implementation costs	Total	Year			
		0	1	2	3
Rev/Ben backfill	490,000	26,875	163,750	182,500	116,875
Temp staff (resilience team)	393,750	0	0	206,250	187,500
BPR resource for R&B	337,500	22,500	157,500	112,500	45,000
Project Manager	461,250	45,000	180,000	157,500	78,750
Communications	18,000	1,500	6,000	6,000	4,500
Support service implementation	140,000	12,500	52,500	52,500	22,500
Total	1,840,50	108,375	559,750	717,250	455,125

The ICT service transition and investment costs are summarised in the table below for the first 3 years of the shared service operation only:

ICT	Total	Year			
		0	1	2	3
Relocation of R&B Servers	25,000	5,000	20,000	0	0
Relocation of DIP / EDRMS Applications	100,000	5,000	95,000	0	0
Establishment of satellite comms links (enhanced County network)	100,000	5,000	95,000	0	0
HQ to remote workers	60,000	0	30,000	30,000	0
Enhancement of existing IT operational services	25,000	25,000	0	0	0
Longer term replacement of DIP systems	250,000	0	150,000	100,000	0
Replacement of R&B systems	1,100,000	0	300,000	800,000	0
Infrastructure refresh	90,000	0	30,000	30,000	30,000
Establishment of office and admin ICT systems and refresh	100,000	0	100,000	0	0
PC / server refresh	110,000	0	80,000	30,000	0
Implementation of e-forms	305,000	0	0	245,000	60,000
Total	2,265,000	40,000	900,000	1,235,000	90,000

The table below summarises the total lifetime ICT investment for the shared service operation and the costs each district would incur irrespective of the shared service:

ICT Investment	SSO	Districts	Variance
Relocation of R&B Servers	25,000		25,000
Relocation of DIP / EDRMS Applications	200,000		200,000
Establishment of satellite comms links (enhanced County network)	100,000		100,000
HQ to remote workers	60,000		60,000
Enhancement of existing IT operational services	25,000		25,000
Longer term replacement of DIP systems	250,000		250,000
Replacement of R&B systems	1,100,000	2,200,000	(1,100,000)
Infrastructure refresh	300,000	300,000	0
Establishment of office and admin ICT systems and refresh	300,000	300,000	0
PC / server refresh	330,000	330,000	0
Implementation of e-forms	305,000		305,000
Total	2,995,000	3,130,000	(135,000)

The table above shows that:

- The councils would need to spend £3.130m without the SSO but only £2.995m for the SSO.
- For the £2.995m SSO cost the councils receive more investments such as home working links, e forms etc

Summary of key tasks for the implementation team

- Involvement in confirmation of new organisational structure, roles and responsibilities; production of job descriptions and person specifications; job evaluation (in conjunction with Joint Committee and new management team).
- Involvement in review of current council strategies for Revenues and Benefits and changes required for the shared service organisation (in conjunction with new management team).
- Review of policies in operation at partners, including council discretions; recommendations for changes to improve and/or unify policy.
- Review of all processes and procedures across the service including Benefits, Fraud, Council Tax, Business Rates; document and analyse existing practices; propose changes to procedures in light of recognised best practice; revise/create procedure guides; communicate changes to staff; arrange training.
- Review of Hub interface across all channels - telephone, internet and in person (in conjunction with Hub managers); document and analyse existing practices; propose changes in light of recognised best practice; revise/create procedure guides; communicate changes to staff; arrange training. This task will include review of FAQs, website content, telephone contact centre arrangements (single phone number?), etc.
- Review all forms, letters and other customer literature in use across the service; identify scope for standardisation and use of alternative media; produce and market-test drafts; finalise and arrange procurement and distribution.
- Agree customer service standards; consult internally and with customers; produce, distribute and publicise standards in customer charter (in conjunction with Hub managers).
- Involvement in creation and organisation of specialist teams and movement of staff who are re-locating (in conjunction with management team).
- Specify requirements and investigate options for use of electronic forms across all channels, including integration requirements; procure, implement, test, roll-out; arrange training; publicise; (in conjunction with Hub managers and IT)
- Specify requirements and investigate options for move to common IT systems platform, including core revs and bens system and document management; market test, procure, implement, test, roll-out; arrange training; (in conjunction with IT).
- Identify options for flexible working, home working, mobile working; specify requirements; consider pilots; procure and implement hardware/software; consider security issues; arrange training.
- Specify requirements and identify options for central receipt/dispatch of post and scanning/indexing; procure, implement, test, roll-out; arrange training; publicise (new single postal address?).
- Maintain regular communication and consultation with all stakeholders throughout the project implementation.

Governance

The proposals set out in this document envisage that the Worcestershire Shared Services Partnership (**WSSP**) Joint Committee would be set up at the beginning of the process (say within 3 months of all the constituent authorities approving the detailed business case and committing to set up the Revenues and Benefits Shared Service) and overseeing the transition to the shared service.

Communication

The key objectives for the Communication Strategy are:

- To provide a consistent message about the Worcestershire Revenues and Benefits Shared Services Organisation, its vision and its plans for implementation.
- To ensure stakeholders have a good understanding of the vision and the implementation plans.
- To provide opportunities for a two way dialogue listening to customers, partners and other stakeholders to secure commitment and maintain momentum throughout the implementation period.
- To provide adequate, appropriate and timely information that raises awareness that helps people make informed contribution to the implementation process.
- To ensure that all stakeholders feel engaged and involved with the implementation of the vision for the SSO and feel that the Joint Committee listens to and is influenced by them.

The consultation principles can be found within **Appendix D**.

Conclusion and Recommendation

The detailed business case demonstrates clearly that the creation of a Shared Service in Worcestershire for Revenues and Benefits will be beneficial in terms of efficiencies and service improvement. Through an SSO based on the model suggested in the business case:

- it is possible to achieve significant service improvements and cost reductions;
- the new operation will continue to have a 'local presence' in each district through the Worcestershire Hub and some SSO staff working locally in a 'mobile and flexible' way; and
- the benefits of this new Revenues and Benefits service can be shared by all District Councils.

The table below summarises at a high level the 10 year financial benefits from shared services and identifies the costs that the councils would have needed to invest over the next 10 years without the shared service operation:

Summary 10 Year position	£m's
Current Budget	107.202
Shared services cost	95.962
Operational cost / (savings)	(11.240)
Capital investment	2.995
Total cost / (savings)	(8.245)
Costs district incur without SSO	
Hub staffing	3.468
Revenues and Benefits transformation	1.869
ICT investment	3.130
Total costs incurred without SSO	8.467

This means that over the 10 year period, the total savings equate to £8.2m and the costs avoided are £8.5M (assuming that the councils would have increased Hub staffing, replaced redundant ICT and invested in transformational change to secure the envisaged improvements). This is an overall cost 'saving' of £16.7M over 10 years.

If Councils commit to this initiative, the significant investment included within the proposal will enable the partnership to secure further improvements:

- Additional improvements and cost reductions in the Revenues and Benefits service;
- Service improvements and cost reductions in other council services arising from the improved operation of the Worcestershire Hub;
- The option to pursue further Shared Service opportunities in ICT and other support services; an
- If successful, the opportunity to engage with other organisations beyond Worcestershire and increase the scale of the business and secure further service improvement and cash savings.

Service improvements

The proposal that has been developed for Revenues and Benefits has the potential to achieve performance standards that are better than the best in the county and among the best in the country. The proposals have responded to the view, particularly from Members, that it is important to ensure no loss of accountability. Through the proposed SSO it will be possible to achieve:

- Quicker processing of benefit claims (less than 20 days on average)
- Improved accuracy of transactions (over 99% right first time)
- Improved revenue collection rates (Council Tax at least 98.6%, Business Rates at least 99.5%)
- Greater access to Revenues and Benefits Services and improved customer focus through the Worcestershire Hub
- Increased take up of self-service, for example, on-line transactions
- Greater resolution of enquiries at first point of contact
- Improved quality of response on specialist and technical issues through the concentration of knowledge and expertise in one place.

In addition the new Shared Service will have the capability to deliver further improvements and cash reductions. The partner councils will agree year-on-year improvement targets with the Shared Service to realise these extra benefits which will be additional to the service improvements and cost reductions referred to here.

This combination of service improvements and cash saving is possible because:

- The proposal makes the optimum use of the Worcestershire Hub.
- The new operation is based on simplified, streamlined, standardised and automated processes that enable consistent, high quality service delivery.
- The partner councils are working together as a Shared Service; all adopting the same high quality ways of working and sharing the management, the expertise and the investment cost required to achieve this high performance organisation.

This business case demonstrates a proposal that is an affordable first step on a journey that could deliver significant service improvements and cost savings.

Appendix A: Options Appraisal

In this section of the Business Case we examine the case for establishing the SSO, which will be a single body for the management of the Revenues and Benefits services that are currently managed separately within the constituent districts. In particular we consider:

- The options available for a shared service organisation
- The advantages and disadvantages of the options of each
- Make a recommendation on the preferred option utilised for the development of the financial case

1. Revenues and benefits service

Please see pages 19 – 22.

2. ICT Options appraisal

Suggest here we state how the ICT options appraisal firstly took the findings of the revenues and benefits workstream and explored the options for delivering the ICT service.

In exploring the options the ICT workstream have:

- Discussed with revenues and benefits software suppliers the solutions in the market place, and the likely level of economies of scale arising from a joint procurement / converged Revenues and Benefits system.
- Analysed the existing systems utilised by the districts
- Analysed other information relating to the costs of other goods and services (including hardware, software, networking and services) from other data gathering exercises

The following table highlights the potential approach that could be adopted for delivery of the ICT service and the pros and cons of each option:

Options appraisal issues		
Approach	Pros	Cons
<p>Relocate all Revenues and Benefits systems(*) to the HQ</p> <p>(*)In this context, “systems” refers to all of the following:</p> <ul style="list-style-type: none"> • software: the core application (from IBS / Academy, etc), DIP / EDRM application where implemented, interfaces between the above applications and any other systems, as required (e.g. cash, accounts, Hub, etc). • hardware to support the above, including servers, scanners, printers and any other associated peripheral equipment. 	<ul style="list-style-type: none"> • Relocation of the systems could be achieved fairly speedily, at least for four of the six authorities • Rationalisation of Revenues and Benefits processes and ongoing development of the Revenues and BenefitsSSO could be achieved most effectively – given central access to and control of all six systems • Operational support for the servers and associated equipment could be rationalised • Applications support could be rationalised – especially installation of updates, software releases (See Section 7) • Integration with the Hub could be achieved more speedily and cost effectively • Some degree of continuity compared to remote hosting by any other organisation (County / outsourcing) • Relatively minimal initial investment (compared to that necessary for more radical models) would enable the creation of a workable model 	<ul style="list-style-type: none"> • Two authorities (Worcester CC and Wychavon DC) would need to resolve issues regarding their corporate DIP. Depending on the implementation time-scales, the other authorities would run into this problem at some point in the future, as well • Consolidating support skills in one location would present HR / organisational issues regarding split duties / redeployment / etc • The alternative approach of providing applications support across the network, (i.e.: ICT staff remaining in their current locations) would have other potentially negative impacts, such as: confused line management / reporting arrangements • Some risks of service disruption during the transfer stage
<p>Leave the systems in situ</p>	<ul style="list-style-type: none"> • Minimal impact on ICT organisation / support arrangements • Minimal risk 	<ul style="list-style-type: none"> • Reduced scope for efficiencies. • Wide area network communications would need to be significantly more resilient than at

Options appraisal issues		
Approach	Pros	Cons
		present to support this model
<p>Relocate the systems across more than one authority</p> <ul style="list-style-type: none"> • Perhaps a North / South, or East / West split • Or perhaps, a split based on the Revenues and Benefits application (Academy / IBS) could be considered (at least from an ICT point of view!), as... 	<ul style="list-style-type: none"> • This would provide a short term benefit in terms of specific applications support, but... • ...there could be some (albeit fairly marginal) applications support efficiencies, but... 	<ul style="list-style-type: none"> • ...it would seem only to make sense if local government reorganisation clearly indicates such a model for the longer term. • ...there would also be complications arising for the requirements for supporting different DIP systems • ...how well would this work for the Revenues and BenefitsSSO management?
<p>Outsource the provision of ICT services for the Revenues and Benefits systems from the outset</p>	<ul style="list-style-type: none"> • Outsourcing of ICT services is a viable option for many authorities who are looking to deal with significant problems, or implement major changes with insufficient resources • This approach may well be considered to be less of a risk once the Revenues and BenefitsSSO has been defined and fully established 	<ul style="list-style-type: none"> • It doesn't fit the model of publicly run service • The key ICT resources are already in house • It would increase the level of complication (and therefore risk / time-scale / initial cost) significantly for all authorities, at least in the short term, in agreeing an outsourcing specification to tender against • It would divert effort and attention to ICT tendering issues, potentially to the cost of service levels for the Revenues and BenefitsSSO

Options appraisal issues		
Approach	Pros	Cons
		<ul style="list-style-type: none"> • It may lead to reduced / lost control of future ICT developments such as integration with other systems
Centralise the provision of ICT services with the County Council	<ul style="list-style-type: none"> • Has the attraction of overcoming some of the perceived short term negativities of outsourcing (e.g. publicly run service) • Sharing of ICT services county-wide would provide knock on efficiency savings in these circumstances – as per the iMPOWER report of July 2005 	<ul style="list-style-type: none"> • More complex transfer in the short term, in terms of logistics (all authorities affected, so no continuity of service) • Key relevant skills are with each of the Districts at present

In assessing the preferred option and the suitability or otherwise of District authorities to host the Revenues and Benefits SSO HQ we considered the comparative states of readiness of the infrastructures of each of the six Districts. As far as Revs and Bens systems are concerned, four authorities use the IBS system and two use Academy. As far as DIP systems are concerned, four authorities utilise Anite and two use other systems.

In order to deliver the proposed option - a host authority with satellite sites – the following ICT strategy was produced: -

Stage 1- Transfer

The Revs / Bens ICT facilities (hardware and software) should be transferred to the host authority at the earliest opportunity.

The Revs and Bens accommodation at the host and satellite sites should be adapted to take account of any staff location / accommodation changes.

Facilities for mobile working should be put in place to meet flexible working time-scales and requirements.

The County's network should be used to support the Revenues and Benefits SSO traffic between sites.

Stage 2 – Achieving efficiency

BPR – the means of maximising the benefit from standardising processes should be put in place as soon as the Revenues and Benefits SSO is in a position to engage with them.

Stage 3 - Convergence

Plans for the convergence of systems within the Revenues and Benefits SSO should commence as soon as the Revenues and Benefits SSO has established its long term requirements from a unified Revenues and Benefits system.

ICT support should be provided on the basis that will enable the Revenues and Benefits SSO to operate to its maximum efficiency. To bring together the appropriate skills and expertise - currently spread across the six Districts - would require, at the very least, very effective joint working amongst the Districts' ICT services.

The time-scales for the above will depend on the readiness of the Revenues and Benefits SSO to absorb and effect changes.

3. HR Options appraisal

The HR workstream considered three employment model options which could deliver the vision for the SSO. These are:

- Secondment with no TUPE transfer
- TUPE on an agreed date
- Secondment first with TUPE transfer sometime in the future

In determining the most appropriate model the implications of each of these options were considered as set out below.

Secondment

- If staff are seconded into the SSO, day to day management would be via the SSO, but their contractual terms and conditions will remain with their substantive employer. Non contractual terms and conditions will be the responsibility of the host authority. For example, as the seconded employee remains an employee of their substantive employer any disciplinary action or grievances will need to be dealt with as per their contract of employment, at the final stage by their substantive employer. The host authority could deal with the investigation of such issues and make a recommendation to the substantive authority. Any differences in contractual terms and conditions will need to continue i.e. additional holidays, acting up pay, travelling expenses, etc. This will create difficulties for the SSO management team as the SSO staff will actually be conditioned to different sets of terms and conditions appropriate to their substantive employer.
- Financial arrangements will need to be put in place for invoicing the pay and terms and conditions costs to the substantive employer as the individual will need to remain on the payroll of the substantive employer.

TUPE

- TUPE would apply where all staff affected are transferred over to a designated host authority. This could be phased or as part of a holistic approach.
- All employees affected would be notified of the TUPE transfer and informed of their rights as detailed in the TUPE regulations (The Transfer of Undertakings (Protection of Employment) Regulations 1981) as amended by caselaw.
- The main employment right under this Act is for an employee's existing terms and conditions to be protected indefinitely unless the employee agrees to a variation or the variation can be proven as being due to either an economic, technical or organisational reason.
- Upon transfer the new SSO could then rationalise, re-organise and appoint as appropriate, with the host authorities existing policies and processes being adopted. This would be subject to due consultation at the SSO Revenue & Benefits Consultative Forum, unless the employee agrees to a variation, or the variation can be proven as being due to either an economic, technical or organisational reason.
- All costs associated with moving to the employment model following a TUPE transfer will be borne by the host authority. Financial arrangements for sharing of these costs amongst the partner organisations will need to be agreed.

Secondment first with TUPE transfer sometime in the future

- The statutory requirements relating to a TUPE transfer do not permit this to be achieved within the proposed timescale i.e. 1st April 2007. Processes, systems,(including IT,) and organisational structures need to be agreed prior to a TUPE transfer. Additionally the size and complexity of undertaking a TUPE transferring involving potentially 6 different employing authorities would suggest that an interim arrangement is the best option.
- Under such an arrangement employees would either be seconded or appointed to a host authority.
- A gradual implementation/phased approach such as this would enable the service to continue whilst developing the infrastructure for the new SSO. Preliminary discussions with Unison suggest support for this approach.

Following the analysis above combined with the size and complexity of the transfer (involving 200 plus employees), the short timescale available and the amount of work involved it is proposed that the employees should be seconded to the Host authority (to be determined) in the short term with a view to a TUPE transfer at an agreed date in the future.

4. Support Services and Accommodation options appraisal

The support services workstream considered the following options in determining the preferred model for the delivery of support services:

<ul style="list-style-type: none">• Some councils may not have the capacity or interest in providing support services to the SSO• One or more councils may be willing to join their services to provide the capacity needed• Individual councils' cost base may prevent them from being lowest, or near lowest cost (e.g. due to pension costs)• The host authority need not provide all or any of the support services	<ul style="list-style-type: none">• Some support services probably need to be co-located with the HQ• A full cost-benefit assessment, using a medium-to-long-term projection, would be needed to ensure that the SSO is able to demonstrate best value and value for money• There may be other/external factors to take into account e.g. opportunities for shared services for some/all support services.
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The problems facing the partners in relation to support services for an SSO are primarily:

- 1 The ability of the host to 'upsize' its support service to meet the SSO's requirements and provide the best possible advice, information and other services,

- 2 The ability of the remaining partners to ‘downsize’ their support services to save up to 75% of the current recharged costs without impairing their other commitments,
- 3 The ability of the partners to retain the resources necessary during the implementation period, and
- 4 The need to find a cost-sharing solution that reflects the financial advantage to the host authority of providing all of the support services.

The following table provides a simple analysis of each option.

Option	Comments
1. Each council provides all of the support services	Undesirable due to complexity, excessive costs and potential confusion
2. Each council specialises in at least one service	May appear to be politically appropriate, but unlikely to be the best approach to achieving value for money and good quality services
3. One council provides all of the support services	May be most the cost-effective solution, and simplest. However, there is unlikely to be one district with the capacity to do this for the foreseeable future. This may be a longer-term objective.
4. Somewhere between 2 and 3	Allows most flexibility in terms of using existing resources and expertise to best effect, whilst also moving towards the fewest number of service providers. This is likely to be the most easily achievable and acceptable of the options.
5. Outsourcing of some services	Not likely to be acceptable to any significant extent, but could be suitable for some elements of some services – as now. For example: bailiff services, debt recovery.
6. SSO employs its own service(s)	Unlikely to provide necessary levels of expertise, resilience and efficiency. Could be appropriate if SSO grows significantly to take on wider range of services and partners.

Given the guiding principles adopted by the Worcestershire Partnership for sharing services, the option of retaining the whole range support services ‘in house’, provided by the host authority was preferred on the basis that it would provide the best value for money solution and a way forward to support the SSO if and when it is decided that it should extend the range of services carried out for the partners.

- | | |
|--|-----------------------------------|
| 1. Each council provides all of the support services | 4. Somewhere between 2 and 3 |
| 2. Each council specialises in at least one service | 5. Outsourcing of some services |
| 3. One council provides all support services | 6. SSO employs its own service(s) |

Appendix B ICT Supplier Assessment

Company Name	Software Name	Main Features	Other Users	Website Link
Capita	Academy	<p>Made up of a number of modules including Council Tax, Benefits, NDR and EDM. THEY SAY... "The pace of change within local government is set to accelerate as more and more developments take hold. The innovative use of information technology will be a vital element in delivering quality, value and achieving eGovernment targets. Capita Software Services is an established leader in the development and support for the full spectrum of systems within the revenues and benefits arena. By providing applications that are feature rich and practioner driven, the Academy Revenues and Benefits products deliver tangible benefits for both users and customers via a fully integrated portfolio of software modules. The systems provide comprehensive revenues capability, performance monitoring and management control to specifically enhance customer care." They are willing to offer significant discounts for a joint arrangement..</p>	<p>Significant number of users, and a number of recent contracts have been won.</p> <p>Users include Bexley, Daventry, Hammersmith & Fulham, Horsham, Leeds, Mendip and Swale</p> <p>Amongst the Worcestershire partners, Bromsgrove and Worcester City use the Academy system.</p>	<p>http://www.capita-software.co.uk/products/revenuesandbenefitsproducts.html</p>
Anite	Pericles/H BIS	<p>THEY SAY...</p> <p>"Anite is one of the UK's leading suppliers of solutions for Revenues and Benefits departments. Pericles, our fully integrated and browser-based solution, supports revenue collection for council tax and non-domestic rates as well as administration for housing and council tax benefits.</p> <p>Based on a fully integrated person and</p>	<p>Smaller number of users which includes Barnet, Croydon, Newham, Newcastle-under-Lyme and Rushcliffe.</p> <p>HBIS, which is the legacy system claims about one third of the Benefits market but will not be supported after March 2007.</p>	<p>http://www.anite.com/index.php?option=com_content&task=view&id=271&Itemid=242</p>

Company Name	Software Name	Main Features	Other Users	Website Link
		<p>property database, Pericles provides the highest levels of automation, helping our customers to eliminate manual tasks, focus on providing a quality service and to achieve high levels of performance.”</p> <ul style="list-style-type: none"> • Browser-based technology • Options include document management, fraud and rent referrals • Pericles is taking over from HBIS, which will no longer be supported after March 2007 		
IBS	Open Revenues	<p>THEY SAY...</p> <p>“The OPENRevenues solution provides an integrated suite of Revenue & Benefit solutions that improve efficiency, accuracy & productivity by giving your staff the tools that they need to deliver an effective & reliable service. Suitable for organizations of any size, from small rural Districts to large Metropolitan Boroughs, OPENRevenues is already installed in over 65 Local Authorities throughout the UK.”</p> <ul style="list-style-type: none"> • In addition to standard Council Tax, NDR and Benefits modules there are workflow, mobile working and CRM <p>They have indicated a willingness to negotiate reduced implementation and support fees for multi-authority usage. This amounts to approximately 50% discount, if all six authorities commit.</p>	<p>Users include Basildon, Camden, Chiltern, Kingston-Upon-Hull</p> <p>Amongst the Worcestershire partners, Malvern Hills, Wyre Forest and Wychavon use the IBS system, and Redditch are in the process of transferring to it.</p>	<p>http://www.ibsopensystems.com/openRevenues.asp</p>

Company Name	Software Name	Main Features	Other Users	Website Link
Northgate	SX3 Revenues & Benefits	<p>Made up of SX3 Revenues and SX3 Benefits</p> <p>THEY SAY...</p> <p>SX3 Revenues: "Sx3 Revenues has two core modules for managing Council Tax and Business Rates. These give you instant access to up-to-the-minute information and let you satisfy queries promptly from the most diverse customer base. "</p> <p>SX3 Benefits: "Sx3 Benefits comprises two core modules for administering Housing Benefit and Council Tax Benefit, plus specialised modules for debtors and creditors. "</p> <p>Browser-based technology</p> <p>Links to other SX3 products for Wireless working, Workflow and Document Management</p>	Claim 50% of market – including Birmingham, Brent, Harrow, Isle of Wight, Kings Lynn & North Norfolk, Sutton and Walsall	http://www.sx3.com/Application%20Solutions/Revenues%20and%20Benefits/default.asp

Company Name	Software Name	Main Features	Other Users	Website Link
Civica	Revenues & Benefits	<p>THEY SAY...</p> <p>“Civica’s Authority Revenues and Benefits suite helps authorities to deliver a consistently high level of service with increased efficiency, while addressing changing workloads and growing expectations.</p> <p>Civica has been serving the local government market for two decades, helping customers respond to challenges such as:</p> <ul style="list-style-type: none"> • Implementing new legislation rapidly and accurately. • Increasing revenue collection rates. • Accelerating benefit claims processing. • Combating fraud. • Reducing administration costs while increasing productivity. Minimising risks and errors.” 	Users include Mansfield, Purbeck	http://www.civica.co.uk/Software/Software+Applications/Revenues+and+Benefits/

Appendix C ICT Infrastructure: Revenues and Benefits SSO readiness

		Bromsgrove	Malvern Hills	Redditch	Worcester City	Wychavon	Wyre Forest
Revs & Bens system	Supplier / system	Academy / Academy	IBS / IBS	Migrating to IBS?	Academy	IBS / IBS	IBS / IBS
	Age / replacement date	Replacement in 2007	7 years / New hardware	New / ?	3 years	6 years / ?	Flexible lease
DIP system	Supplier / system	Anite	CominoW1 > IBS	Anite	Anite	Comino / W2	Anite / July 06
	Age / replacement date		7 years / Replacing now	12 months / ?	1 year	6 years / ?	5 years
	Departmental or corporate	Departmental Due to be rolled out corporately 2006/7	Departmental	Departmental	Corporate	Corporate	Departmental
Email system	Microsoft	Exchange / Outlook	Exchange	Exchange / Outlook	Exchange / Outlook	Exchange / Outlook	
	Other						Groupwise
Office systems	Microsoft	Office XP Pro	Yes	Office XP	Microsoft	Office	Office
	Other						
		Bromsgrove	Malvern Hills	Redditch	Worcester City	Wychavon	Wyre Forest

Telephony	Supplier / system	Cisco from May 2006 onwards	IDSx PBX Siemens + Hub VOIP in Service Centre	Ericsson	Ericsson MD110	Alcatel	Siemens
	Features / limitations relevant to authority providing HQ / satellite site	VIOP with view to expanding for mobile working	Considering replacement with total VOIP solution	Traditional Analogue, Digital, VOIP and IP Telephony currently in use	Flexible. Just upgraded software. About to add IP capability	Flexible usage throughout the Civic Centre. Spare capacity for additional lines.	Integrated voice & data network. 4 switches / PABX 6 sites
Computer environment	Capacity	Potential option to expand servers & DR options	Planning second server room for resilience so capacity available	Capacity for additional servers	Capacity for additional servers	Spare capacity for additional servers; flexible layout.	Single site 2008
	Security / protection features	UPS to Server room. Server room has restricted access. Air Conditioning with fire protection. Single sign one	Keypad restricted access; UPS intruder detection; air conditioning; fire detection	'key' restricted access; UPS and back up generator; intruder detection; air conditioning; fire detection and prevention	Swipe card locks. UPS. Air Con, Fire and flood protection	Keypad restricted access; UPS and back up generator; intruder detection; air conditioning; fire detection and prevention	Keypad restricted access; UPS; intruder detection; air conditioning; fire detection and prevention
Disaster recovery / Business Continuity	Contract for external assistance	DR setup @ County Hall	Contract plus migrating to virtualized fully resilient system	Being implemented; ready by Summer '06	Have a plan already. Updating corporate one over summer '06	Being implemented; ready by Summer '06	NDR in place

		Bromsgrove	Malvern Hills	Redditch	Worcester City	Wychavon	Wyre Forest
BS7799	State of compliance	Working towards	Working towards	Not compliant	Working towards.	Compliant	Working towards
Desktop environment	Windows / version(s)	Windows XP	W2000/XP	XP but with remnants of NT/2000 being currently replaced	Windows XP	W2000 / XP	W2000/ XP
	Other				Citrix		
Remote access	Method / technology used / features / capacity	Citrix for remote access	Juniper NetScreen SSL/VPN	Current tender process for provision of services	Citrix Secure Gateway – SSL VPN. Spare capacity	Netilla SSL VPN / Terminal server for applications access / which would need to be enhanced / replaced to support significant additional demand	SSL VPN
Internal network	Technology used / features / capacity	Fibre backbone + Wireless throughout all main buildings – May 2006 onwards	Ethernet, TCP/IP with Layer 3 switching Fibre & UTP cables	Fibre Backbone (2gb) gig floor to floor	Fibre backbone.	Fibre backbone / some wireless zones	Fibre backbone / some wireless offices

Appendix D Communication Principles

The aim of all communications from the SSO is to provide the information that people need, in a timely manner, through the appropriate channels.

The responsibility for communication for the SSO during the period of implementation will lie with the Joint Committee.

The following principles will be adopted by the SSO when undertaking any communication activity, or by anyone carrying out communications on behalf of the SSO:

- We will be open and honest in the information that is being communicated
- We will try to be regular and consistent in our messages
- We will aim to be accessible to all stakeholders in order that their concerns may be addressed and reassurance given, where needed in a timely manner
- We will try to ensure that all stakeholders are treated equally
- We will make communications an integral part of the Implementation Plan
- We will use a language that people understand
- We will keep trying to improve our communication by evaluating the effectiveness of what we do.
- We will manage media relations effectively: respond to media enquiries, promote the SSO proactively, identify and train media spokespeople, handle crisis PR to ensure accurate targeting of media coverage.
- We will develop and maintain a strong and consistent brand for the SSO: in design, print and promotion to ensure an appropriate image.
- We will market the SSO and its services: both the individual services and the overall promotion of the SSO to stakeholders and interested parties.
- We will ensure that the means of communication used are cost effective.
- We will try and involve everybody, recognising the diverse needs of the stakeholders.
- We will be honest about why we are consulting and at what level so that people are aware of the extent to which they can influence the decision making process.
- We will use language people understand
- We will keep trying to improve our consultation by evaluating the consultation that we do.
- We will provide feedback on consultation, both to consultees and to all other relevant stakeholders.
- We will, where possible, act on the findings of consultation activity.

Appendix E Governance Arrangements

Governance Arrangements for Revenues and Benefits Shared Service

1. Background

- 1.1 The outline business case for the Revenues and Benefits Shared Service considered a number of options for governance arrangements for a Shared Service Organisation and proposed that the governance arrangements consist of a Joint Committee. The detailed business case has been developed on this basis. The key reason for adopting this approach is that it is the one which is likely to encounter the least difficulties with the EU Procurement Regime. The Joint Committee approach also provides the benefit of clear democratic accountability and avoids difficulties that could arise if the organisation was seen as operating “behind closed doors”.
- 1.2 The joint committee approach is not a contractual approach but an administrative arrangement under which each authority exercises its powers under Section 101 of the Local Government Act 1972 to delegate certain functions to the joint committee to be exercised on its behalf. Each authority will need to delegate to the Joint Committee its revenues and benefits functions and it will need to be clear precisely what is involved in these including relevant support services.
- 1.3 The arrangements will need to be documented in a formal agreement signed by all the parties which will be the constitution for the joint committee.
- 1.4 Where authorities are operating under executive arrangements (as all except Malvern Hills DC are), the decision to delegate the executive functions of Revenues and Benefits will need to be made by the relevant executive rather than the full Council (but see also paragraph 4.2 below), although elements such as the transfer of staff and budgets (which are not Executive functions) will need to also be agreed by the full Councils of the individual authorities.

2. Proposed short and medium term solutions for the Joint Committee.

- 2.1 There is a choice between setting up a Joint Committee which purely deals with Revenues and Benefits (Worcestershire Revenues and Benefits Partnership –**WRBP**) or a Joint Committee which will administer Revenues and Benefits but can also expand to cover other shared service areas (Worcestershire Shared Services Partnership – **WSSP**).
- 2.2 To ensure scalability in future expansion of shared services into other service areas it would be sensible to set up **WSSP** as a joint committee that both administers the Revenues and Benefits Shared Service and prepares the way for, implements and administers other Shared Services as and when required.
- 2.3 The functions of the **WSSP** Joint Committee should, therefore, be:
 - To oversee the development, planned implementation and continued operation of a joint revenues and benefits service between the partners including approval of a benefits realisation plan and an annual business plan and budget
 - To establish a framework for the operation of Shared Services in Worcestershire generally including a programme for establishing feasibility and implementation
 - Once the authorities have individually agreed to implement a shared service in a particular service area, the WSSP Joint Committee should have delegated authority to oversee the development, planned implementation and continued operation of a joint service between the partners including approval of an annual business plan and budget for that service area.
- 2.4 For these purposes Revenues and Benefits means:
 - Billing, collection and recovery of Council Tax
 - Billing, collection and recovery of Business Rates
 - Housing and Council Tax benefit administration, assessment and payment

- Benefit fraud investigations and interventions
- Billing, collection and recovery of benefit overpayments
- Compilation of all Government returns relating to Revenues and Benefits
- Administrative and other support to ensure the delivery of such services

3. Membership of the Joint Committee

- 3.1 The 6 District Councils in Worcestershire plus Worcestershire County Council should be members of the **WSSP** Joint Committee and should each appoint one councillor to it.
- 3.2 The admission of new authorities to the **WSSP** Joint Committee should require the unanimous agreement of all the existing member authorities.

Note - it is unlikely that any additional authorities would wish to have their Revenues and Benefits Service provided in full by the Joint Committee without becoming a full member. It is, however, possible that **WSSP** might provide certain specialist services to other authorities on a purely contractual basis e.g.: fraud, NNDR, training. Depending on the extent of this, it may be appropriate to set up a specialist trading company to undertake this work. It should also be noted that undertaking such work for other non-member authorities may have to be achieved in a competitive environment in order to avoid breach of the EU Procurement Regime. This is an issue which can be considered in the future by the Joint Committee once the shared services arrangements with existing partners are operating successfully. Admission of new members to the **WSSP** Joint Committee will need to be carefully handled otherwise the control of the existing members may become significantly diluted.

4. Decision-making

- 4.1 Decisions on the following matters **should only be made by the unanimous decision of all the individual constituent authorities:** -

- Implementation of shared services into areas other than Revenues and Benefits
- The admission of other authorities to the **WSSP** Joint Committee as members
- Approval of the annual Revenues and Benefits Budget and Business Plan

- 4.2 Decisions on the following matters in relation to Revenues and Benefits (**Reserved Matters**) **should require the unanimous agreement of the WSSP Joint Committee** (see paragraph 4.4 below in relation to voting by the County Council): -

- A benefits realisation plan
- Recommendation of the annual Revenues and Benefits Budget and Business Plan to the Member Authorities
- Major changes to the standards of service to be delivered
- Changes to the premises from which the service is delivered if that involves moving employees to a different district to the one in which they are currently based
- Procurement of new IT systems affecting the delivery of the whole service or significant parts of it
- Purchase, sale or lease of assets above a certain price
- Appointment (and dismissal) of the Revenues and Benefits Manager
- Agreeing to provide services to an authority outside the joint committee membership
- Changing terms and conditions of employees
- Entering into any borrowing arrangement
- Appointment of external auditor

Note – some of the items referred to above relate to matters which are not the function of the executive in authorities exercising executive arrangements e.g. appointment of staff, changing terms

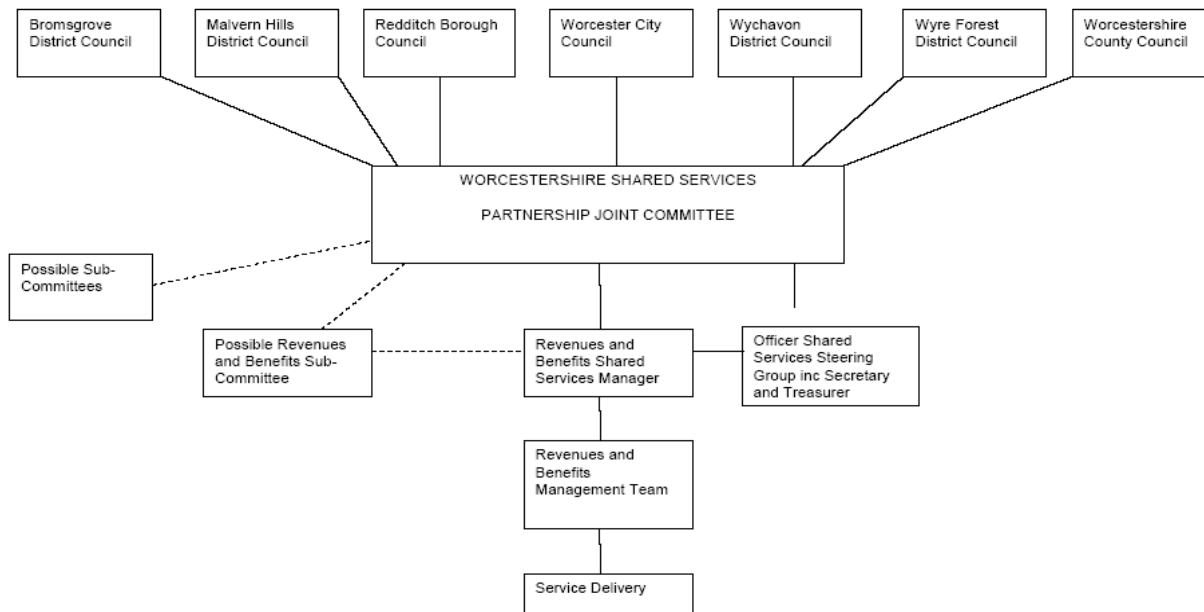
and conditions of employees, budgets. These matters can only be delegated to the Joint Committee if the full Councils of the individual authorities so agree as well as the Executives of those authorities delegating the main Revenues and Benefits functions.

- 4.3 Day to day decision making to be delegated by **WSSP** Joint Committee to the Shared Services Head of Revenues and Benefits subject to the annual Budget and Business Plan and subject to regular reporting arrangements which could, for instance, be to produce a regular monthly report on financial position and performance to each member of the **WSSP** Joint Committee and each authority's Section 151 Officer.
- 4.4 The Worcestershire County Council representative on the **WSSP** Joint Committee should not have a vote in relation to Revenues and Benefits matters or any other shared service which may come under the Joint Committee's jurisdiction where the service in question is provided only by district councils.
- 4.5 Following the setting up of the **WSSP** Joint Committee and prior to the full implementation of the Revenues and Benefits Shared Service each district council should ensure that the Joint Committee is made aware of any decisions being taken by that district council which might affect the implementation of the Revenues and Benefits shared service.
- 4.6 The WSSP Joint Committee should have a power to appoint sub-committees to administer particular shared service areas. This would become necessary if the role of the Joint Committee expands into other areas beyond Revenues and Benefits.

5 Administration of the WSSP Joint Committee

- 5.1 Each participating authority will need to appoint a member to the Joint Committee. Where authorities are operating executive arrangements this will need to be the Executive appointing a member of the Executive. The appointments could either be for an annual term or for a 4 year period equating with the electoral cycle. If a member of the Joint Committee ceases to be a councillor for any reason, they should cease to be a member of the Joint Committee.
- 5.2 The chairman of the Joint Committee should be elected by the Joint Committee on an annual basis and should rotate between the various authorities.
- 5.3 The Joint Committee should have an annual meeting and 3 to 5 further meetings per year. The venue for each meeting should rotate between each authority. Subject to the Access to Information Procedure Rules 2006, the meetings should be held in public.
- 5.4 The Joint Committee should appoint from the officers of the Member Authorities a Secretary and a Treasurer. The Secretary and the Treasurer need not be provided by the Host Authority (see Paragraph 6 below) or by the same Member Authorities. The Secretary should provide administrative support for meetings and take responsibility for propriety issues and also ensuring that any Ombudsman issues are dealt with. The Treasurer will be responsible for providing financial advice to the Joint Committee and preparing an annual budget for it. The Secretary and Treasurer should liaise with the Monitoring Officers and S151 Officers of the Member Authorities to enable those officers to fulfil their statutory responsibilities. The Joint Committee will need to adopt a set of Procedural Standing Orders, Financial Regulations and Procurement Rules which could be based on those of one of the participating authorities.
- 5.5 During the transitional phase for Revenues and Benefits and in relation to shared services generally, the Joint Committee should be advised by the Shared Services Steering Group comprising one senior officer from each of the participant authorities. The Shared Services Head of Revenues and Benefits (when appointed) should become a member of this Steering Group.

5.6 The diagram below sets out the proposed governance arrangements: -



6 Host Authority (ies)

- 6.1 Because a Joint Committee is not a separate legal entity, there is a need to establish one or more host authorities whose role(s) will be to employ staff on behalf of the Joint Committee (if this is considered to be the appropriate employment option) hold any property on its behalf and enter into contracts on its behalf. One authority could perform all of these roles or they could be divided between a number of authorities. One authority gives greater administrative convenience but sharing the roles between a number of authorities may give greater buy in from the participants. This issue could be easier to deal with if a number of shared services are operating as, in those circumstances, Authority A could perform the host role for Revenues and Benefits, Authority B for Service P, Authority C for Service Q etc.
- 6.2 There will also be a need to establish which authorities are responsible for providing which support services to both the **WSSP** Joint Committee itself and to the Revenues and Benefits Shared Service where these services are not provided as an integral part of the Revenues and Benefits Service itself. Again these could be provided by one authority or by a number.
- 6.3 In order to maintain simplicity, it is recommended that one authority should be appointed as Host Authority for all aspects of the Revenues and Benefits Shared Service, although that authority may make arrangements with other Member Authorities for assistance in the delivery of particular support services required by the Revenues and Benefits Support Service. The Host Authority would not necessarily perform the roles of Secretary and Treasurer to the Joint Committee (see paragraph 5.4 above).
- 6.4 In deciding which authority should undertake the role of Host Authority, the following criteria should be applied:

To be added following decision by the Project Board

7. Employees

- 7.1 The HR Workstream proposes that the existing employees of the Member Authorities who are involved in Revenues and Benefits work should be initially seconded to the Host Authority to work on behalf of the **WSSP** Joint Committee, followed as soon as practicable by a TUPE transfer of staff to the Host Authority. From the commencement date any newly appointed staff will be employed by the Host Authority and seconded to work on behalf of the **WSSP** Joint Committee.

8 Levels of Service to be provided

- 8.1 Performance targets will be uniform across the **WSSP** and will be set by reference to service area and not to the individual Member Authorities. Performance for all BVPIs will aim ultimately to be better than current top quartile.

9 Assets

- 9.1 Constituent authorities will need to grant to the Host Authority a license to use free of charge the hardware used by them for Revenues and Benefits purposes and if so required make arrangements for it to be transferred at the cost of **WSSP** to an agreed location. Constituent authorities will also need to seek to assign relevant software licences to the Host Authority.

10 Sharing of benefits and costs (including initial investment costs)

- 10.1 The agreement establishing the **WSSP** Joint Committee will need to set out the mechanism for sharing benefits and costs (including initial investment costs).
- 10.2 Each Member Authority will transfer the budgets as outlined in the financial summary to the WSSP Joint Committee. This will form the base budget for the Joint Committee.
- 10.3 The WSSP Joint Committee will set up a separate bank account for managing the funds of the SSO.
- 10.4 The Treasurer to the WSSP Joint Committee will report monthly on the financial performance of the Revenues and Benefits Shared Service identifying any further savings / additional costs
- 10.5 The WSSP Joint Committee will arrange for the audit of the pooled funds and for the Audit Commission to make arrangements to certify an annual return of those accounts.
- 10.6 Variations from the base budget (other than inflation) proposed by the Joint Committee (cost reductions, cost increases, initial investment costs) should be shared amongst the members of the Joint Committee on the following basis:

Service	Cost / savings sharing mechanism
Housing Benefits	Benefits: Caseload
Council Tax	Weighted Council Tax: residential properties
NNDR	Weighted NNDR: commercial properties
Hub	Cost identified per district

The weighted Council Tax and NNDR figures have been derived from:

- Current residential or commercial properties
- Deprivation weighting
- Daily bills weighting
- Any further savings or further costs, when comparing to current budgets or further costs will be shared on the same basis. For example, for every £1 of additional benefit when compared to the operational cost of the shared service operation will be shared on the basis of:
- If the saving relates to Housing Benefits the saving will be split between all councils based on benefits caseload for the period the saving relates
- If the saving relates to Council Tax the saving will be split between all councils based on the weighted Council tax residential properties for the period the saving relates
- If the saving relates to NNDR the saving will be split between all councils based on the weighted NNDR commercial properties for the period the saving relates

- If the saving cannot be allocated to a particular service the saving will be split between the relevant services on the basis of:
 - Housing benefits 59.42%
 - Council Tax 33.05%
 - NNDR 7.53%

And the basis identified above for each service will be utilised.

11 Termination Arrangements

- 11.1 There is some concern that a long-term delegation of powers to a Joint Committee without shorter termination arrangements may not be legally robust. However, there is also a need to ensure that the partner authorities recover value for money from any upfront investment required and subsequently from any refreshment of IT
- 11.2 It is therefore suggested that the authorities should indicate an intention that the joint committee arrangements have a minimum life of at least 10 years but that the **WSSP** Joint Committee agreement should be terminable by any authority giving at least 12 months notice in writing terminating on 31st March in any year, such notice provisions not to take effect before the 31st March in the 4th year after the commencement of the arrangements.
- 11.3 If any authority does withdraw on this basis, the **WSSP** Joint Committee should review the position and make recommendations to the remaining authorities as to the basis on which the **WSSP** Joint Committee should continue to operate. Appropriate compensation provisions will need to be agreed for the financial effects of any withdrawal by an authority on the other partners
- 11.4 If an authority does withdraw from the arrangements, there will be a number of implications for it in addition to any compensation it may have to pay to the remaining Member Authorities:
- It may require staff to undertake Revenues and Benefits work for it, unless it proposes to contract out the work elsewhere. If there are staff engaged wholly or mainly on the work of that particular authority they would transfer to it from the Host Authority under TUPE. However, this may not provide it with a sufficient compliment of staff. Also there may be staff who are no longer required by **WSSP**, although not working wholly or mainly on the withdrawing authority's work. They would become redundant and the withdrawing authority would need to meet these costs.
 - It may require appropriate office accommodation to house staff
 - There will be a need to transfer relevant databases to the withdrawing authority and for it to organize how its future IT requirements are to be met. This could be from **WSSP** for an interim period. All these costs will need to be met by the withdrawing authority.
 - Other than possibly transferring any surplus IT hardware to the withdrawing authority at cost, investment already incurred by the withdrawing authority would need to be written off by them
- 11.5 Having regard to paragraph 11.4, it is therefore suggested that the compensation provisions should require a withdrawing authority to:
- Indemnify **WSSP** and the Host Authority in respect of any redundancy costs which may arise as a result of the withdrawal
 - Meet the costs of **WSSP** in transferring any databases etc to the withdrawing authority
 - If the withdrawing authority is the Host Authority, it should meet any additional costs incurred in transferring employees, assets, contracts etc to another host authority
 - Pay compensation to **WSSP** based on the estimated reduced surplus per year which will be achieved. It is suggested that 2 years loss of surpluses would be a reasonable figure, as this would both give **WSSP** a reasonable period for adjustment and also have regard to the significant other costs which a withdrawing authority will occur as set out above.

12 Transparency - Annual Report and Scrutiny

- 12.1 The **WSSP** should produce, within 3 months of the end of each financial year, an annual report on its activities which should be sent to each of its constituent authorities. The purpose of this is to ensure transparency about the Joint Committee's activities. As and when requested to do so by one or more of the constituent authorities, the **WSSP** Joint Committee should produce other reports for constituent authorities.
- 12.2 As and when required by the Chief Executive or an Overview and Scrutiny Committee of a constituent authority or the Audit Committee of such an authority, the Chairman of the **WSSP** Joint Committee should attend a meeting of such Overview and Scrutiny Committee or Audit Committee together with an officer representing the Shared Service Steering Group to account for the activities of the Joint Committee.
- 12.3 Constituent authorities should liaise about such requests from their Overview and Scrutiny Committees and Audit Committees to ensure that such requests do not impose an undue burden on the **WSSP** Joint Committee and should explore the possibility of simultaneous meetings of Overview and Scrutiny Committees and joint presentations to minimize the impact on the **WSSP** Joint Committee.

13 Indemnities

- 13.1 All costs and obligations incurred by the Host Authority on behalf of the **WSSP** Joint Committee shall constitute part of the costs of the **WSSP** Joint Committee and shall form part of the expenses of the **WSSP** Joint Committee shared in accordance with paragraph 10 above.

14 Disputes Resolution

- 14.1 Where any dispute or difference arises between the constituent authorities about the operation of the **WSSP** Joint Committee or the services provided by it, it should in the first instance be passed to the Officer Shared Services Steering Group for Resolution. If they are unable to resolve it, it should be passed to the Chief Executives of the constituent authorities for resolution.
- 14.2 If it is not possible to resolve the dispute or difference in accordance with 10.1, it should be referred to an arbitrator agreed between the constituent authorities or in default of agreement appointed by the President of CIPFA.

15 Transitional Arrangements

- 15.1 The proposals set out in this document envisage that the **WSSP** Joint Committee would be set up at the beginning of the process (say within 3 months of all the constituent authorities approving the detailed business case and committing to set up the Revenues and Benefits Shared Service) and overseeing the transition to the shared service.

16 Review

- 16.1 The **WSSP** Joint Committee should be charged with reviewing these arrangements after 2 years and making proposals to the constituent authorities for any appropriate changes.

17 Assumptions and Risks

- 17.1 The Governance arrangements proposed assume that all 6 district councils in Worcestershire will become members of the **WSSP** Joint Committee. However, the proposals would operate equally well if a lesser number join in.
- 17.2 The key risks are:
- The **WSSP** Joint Committee becomes deadlocked over a particular issue due to an equality of votes or takes a long time to reach decisions
 - One or more authorities fail to approve the Annual Business Plan and Budget which then has to be watered down until the lowest common denominator is established
 - One or more authorities become dissatisfied with **WSSP** at an early stage and withdraw at the earliest possible opportunity

- Authority withdrawing is the Host Authority.

17.3 These risks will be minimised by **WSSP** being very clear and focused from the beginning about what it is aiming to achieve and how it will achieve it and having a contingency plan for a reserve host authority should the need arise.

No.	Questions	Response
1	Is it definitively going to happen?	At this stage the creation of a Shared Service for Revenues and Benefits is a proposal with a supporting business case. No decisions have yet been made.
2	What is the decision making process?	The process involves consultation with staff and trade union representatives to help shape the proposal. Recommendations will then be taken through the relevant executive decision making process within each of the individual District Councils.
3	When will a decision be made?	Consultation on the proposals will take place between 13 September and 20 October 2006. Following this individual councils will consider the proposals at the end of October and throughout November depending on the dates of the Executive Meetings.
4	How much will all this cost?	A financial model has been produced and is included within the overall business case. Based on 10 year projections, total operational savings for the six councils will be over £11m. In order to achieve these savings, capital investment mainly in new systems and implementation of almost £3m is required, giving a net saving of around £8m. However there is an additional £8m of costs that would have been incurred by the councils anyway to achieve the same levels of service to customers that the Shared Service Organisation will achieve. Therefore the true savings are over £16m.
5	Is this just about cutting costs?	As indicated above, there are £8m of customer service benefits included in the business case. Looking at this in another way, the total benefits of over £16m are split more or less evenly between service benefits and cash benefits. The customer service benefits include better use of the Hub and improved performance e.g. better tax collection rates and benefits processing times.

6	How will new systems and implementation be paid for?	There will be a timing difference between the initial investment by councils and the payback period. In the early years the Revenues and Benefits service will cost each of the councils more than currently due to these capital investment costs. The councils may choose to finance the additional capital investment costs through borrowing or utilising capital receipts rather than see increased revenue costs during this period.
7	I don't want to / I can't work from home, how does this affect me?	Home working will not be imposed on employees who do not want it. The proposal assumes flexible forms of working, which will include working from home where appropriate.
8	What does the proposed structure look like?	The proposal assumes: 1 Head of Service 5 Manager posts 19 Team Leaders 155 Officers 21 Clerical/Administrative posts
9	What grades are the proposed posts?	Subject to Job Evaluation, the following salary levels are projected: Head of Service (up to £60,000)pa Senior Manager posts (2@£35 - 37,500) (3@£42-45,000)pa Team Leaders (£27,500-30,000)pa Officers (30@£22,500-25,000) (124@£18-20,000) Clerical/Admin (£14,000 - 15,000)
10	What will my new job be?	This will depend on individual circumstances, and will be affected by such factors as the current duties and salary. Ring-fencing or slotting-in arrangements will be applied.
11	What if I don't get one of the new posts?	It is felt that there will be a sufficient number of jobs in the new Shared Service Organisation to accommodate all existing permanent employees. We currently have 258 employees (233.5 FTEs) for 201 jobs, assuming current levels of natural wastage .

12	What is TUPE?	The Transfer of Undertakings (Protection of Employment) Regulations 2006 (known as TUPE) is now the main piece of legislation governing the transfer of employees of one organisation, or part of it, to another. The regulations are designed to protect the rights of employees in such situations, enabling them to retain their existing terms and conditions, with continuity of employment.
13	Will there be redundancies?	This proposal assumes no redundancies. Every effort will be made to avoid any redundancies: ring fencing of specific posts, where appropriate; slotting in where possible; redeployment where necessary. It is anticipated that natural wastage over the implementation period will avoid the need for any redundancies. Indeed, the proposal anticipates additional staffing on short term contracts during this period.
14	Will there be opportunities for Voluntary Redundancy or Early Retirement?	For the reasons outlined in the previous point, we do not anticipate the need for this.
15	Who will I report to?	This will be dependent on where you fit into the proposed structure.
16	How will my terms and conditions be affected?	Your existing terms and conditions are protected until such time as they are re-negotiated between yourself and the new employer.
17	I've heard about secondment and TUPE - which is it?	The proposal assumes that, at the outset, existing employees will be seconded to the host authority, in their existing roles, and that TUPE will apply as and when employees are transferred into specific roles in the new structure.
18	How will my job change?	In the main it is anticipated that the role will be similar to those undertaken at present. However any change will depend on the precise role an employee undertakes.
19	Will this affect my pension?	No change.
20	How does this affect support service staff?	This will depend on the precise arrangements for providing support services. Consultation will take place with all affected employees as and when appropriate.
21	If I am required to work at the host authority, and this entails extra mileage, will I be	Yes, standard mileage rates for the additional mileage incurred would be paid.

	compensated?	
22	Job Share/Part time working - will I be allowed to continue with my existing working hours?	Yes.
23	If my job changes will training be available?	Training will form an important part of the development of the Shared Services Organisation, to ensure that all employees are given the tools to do the job.
24	Will I have to work on cases outside of my district?	At some point, yes, most likely. The Shared Services Organisation will be working for all.
25	What if I do not like my new role?	Every effort will be made to assimilate employees into roles that are suitable for them. In the event that a new role proves to be unsuitable, then redeployment to another role will be considered.
26	How will the differences in processes and practices between authorities be dealt with?	Standardising processes and procedures will be an early priority for the organisation.
27	What ICT systems will be used?	On Day 1, existing ICT systems will continue to be used. Over the transition period of approximately two years, the six District's Revenues and Benefits related systems will be converged to a single suite of systems. Other ICT systems (email, word processing, etc) will be provided as required. A key objective will be to ensure that the ICT systems are available from wherever the users need to access them - offices, home, client home, etc. It will be for the R&BSSO to determine the overall user requirements for the above systems, in conjunction with the ICT support team and to decide on the preferred suppliers/systems.
28	When is this proposed to start?	Implementation will start as soon as possible after the Councils have decided whether they wish to go ahead with a shared service agreement. The aim would be for the new shared service organisation to come into force on 01 April 2007 although it is anticipated that it will take up to two years to complete the process.
29	How long will it take to get the new ways of working up and running?	Some changes in working practices could be introduced quite quickly, but other aspects of the project, for example changes in IT systems, will take longer. Overall the implementation period is expected to last for up to two years.

30	What will happen on day 1?	In practical terms there will be little change on day 1. The Head of Service for the new organisation should have been appointed and an implementation team will have started work. The service will continue to be delivered as it is now until changes are introduced gradually as the project proceeds.
31	Where will I be located? Will I have to move office?	Some specialist posts will be based at the host authority offices, but others will be based in existing District offices. The underlying expectation is of flexibility of location. This should offer employees greater choice of work location.
32	How will the Revenues and Benefits Shared Service be managed?	Overall management will be with the Joint Committee. A Head of Service will be employed by the Host Authority on behalf of the Joint Committee and will be responsible to the Joint Committee for management of the Shared Service. The Joint Committee will also be advised by a Secretary and Treasurer who will be officers of one of the participant authorities and by the Officer Shared Services Steering Group containing a senior officer representative from each of the participant authorities.
33	What is a Joint Committee?	A Joint Committee is a committee comprising representatives of 2 or more local authorities to which those authorities have delegated certain functions. The power to create such committees is to be found in the Local Government Act 1972. Examples of such Joint Committees locally are the Worcester Telecare Joint Committee and the West Mercia Supplies Joint Committee. A Joint Committee provides the benefit of clear democratic accountability and avoids difficulties that could arise if the organisation was seen as operating behind closed doors.
34	What is meant by a Host Authority?	Because a Joint Committee is not a separate legal entity, it can only employ staff, enter into contracts, lease property, etc, if one of the constituent authorities does so on its behalf. Such an authority is known as the Host Authority. There could be more than one host authority with e.g. one responsible for employing staff, one responsible for contracts, etc

35	Who will be the Host authority?	This has not yet been decided. The decision will be made jointly by those authorities who agree to participate in the Shared Service. It is anticipated that there will be one host authority for Revenues and Benefits. As further shared services develop, there are likely to be different Host Authorities for those Shared Services.
36	How is the Host Authority decided?	The Host Authority is decided jointly by the authorities participating in the Shared Service. It is expected that this will be in October i.e.; well before each authority makes a final decision as to whether or not to participate.
37	Are all councils in Worcestershire involved?	All six District Councils in Worcestershire, together with the County Council, have been involved in drawing up the business case for a shared service arrangement. Each of the Councils will need to decide, on the strength of the business case, whether they wish to be part of the shared services organisation.
38	Why do we need a Shared Service?	Government policy requires all local authorities to make annual efficiency savings in areas such as Revenues and Benefits. They are also encouraging the use of partnership working - indeed this may be a key feature of the long anticipated White Paper as an alternative to local government re-organisation. Sharing services is one way of achieving both objectives.
39	What will happen during the transition?	During the transition phase there will be a gradual change in ways of working, including the introduction of new technology. Additional staffing resources will be needed to implement those changes and to ensure that current service performance is maintained. Staff training and development will be a key activity during the transition.
40	What are the benefits?	The business case has identified the scope for significant improvements in service delivery for our customers, for improvements in performance and for financial savings compared with current budgets.
41	Is this "Outsourcing"?	This is not 'outsourcing'. The Council Leaders and Chief Executives made it clear from the outset that they wanted a solution which involved delivery of local services by the local councils.

42	Has this happened anywhere else?	There is an increasing trend towards shared services across many local authority services and a number of arrangements involving Revenues and Benefits are either under way or are being planned in other parts of the country.
43	How will my views be listened to and considered?	Through the formal staff consultation process which begins with the publication of the business case. Details of the process are set out in the consultation letter, which will be given to all employees.
44	How will performance levels be achieved with less staff?	The shared service organisation will make maximum use of new technology to improve the capture, quality and processing of data from customers. Processes and procedures will be streamlined and standardised and the service to customers at first point of contact will be improved to reduce the volume of work generated by failure demand.
45	How will performance levels be achieved during the transition?	Additional resources will need to be employed during the transition period to enable day to day performance to continue at the same level while changes are being introduced.
46	Who was involved in putting the proposals together?	The proposals were put together by representatives from each of the district councils and the county council, including staff from Revenues and Benefits, the Hub, the county Third Age joint teams, Human Resources, Information Technology, Finance and Legal Services.
47	Why can't we stay as we are?	We could, but the individual councils would not be able to achieve the same level of service improvement and efficiency gains as they could through a shared service operation with the benefits that offer from shared investment and joint working. For example, would we be able to harness the full benefits of the customer services delivered through the Hub (which is effectively a shared service already) without joint working across the wider Revenues and Benefits service? Central government policies on efficiency savings and partnership working also mean that councils must look at shared service as an alternative to current arrangements.

APPENDIX 4

FUNCTIONS DELEGATED TO THE JOINT COMMITTEE

General

- to oversee the development, planned implementation and continued operation of a joint Revenues and Benefits Service on behalf of the Member Authorities
- to establish a framework for the operation of other Shared Services in Worcestershire including a programme for establishing feasibility and implementation
- where the Member Authorities agree to implement a Shared Service in any particular area, the Joint Committee shall have delegated powers to oversee the development, planned implementation and continued operation of that Shared Service

Specific Revenues and Benefits Functions

1. Determining liability and the issuing of Council Tax bills and bills for national non-domestic rates and the maintaining of appropriate records for those purposes
2. The collection of payments of Council Tax and national non-domestic rates
3. Recovery of arrears of Council Tax and national non-domestic rates including making arrangements for payments by instalments and the institution of legal proceedings, including authorising employees of the Host Authority working on behalf of the Joint Committee to appear before a Magistrates' Court
4. The administration, assessment and payment of Housing Benefit and Council Tax Benefit, including authorising employees of the Host Authority on behalf of the Joint Committee to make determinations, notify determinations, notify determinations of overpayment, review a determination or extension of time for making representations or further review in relation to legislation relating to Housing Benefit and Council Tax Benefit
5. The issuing of bills for collection of payments and recovery of arrears for Housing Benefit and Council Tax Benefit overpayments, including making arrangements for payments by instalments and institution of legal proceedings
6. The undertaking of Housing Benefit and Council Tax Benefit fraud investigations and interventions including undertaking prosecutions in appropriate cases
7. The compilation of all returns to Central Government relating to Revenues and Benefits
8. Administrative and other support services required to ensure that functions set out in paragraphs 1 to 7 are carried out
9. Determining the terms and conditions of employment (including procedures for dismissal grievances and management structures and all other employee related matters and consultation with employees and

unions) in relation to those employees of the Host Authority and of the Member Authorities (who have been seconded to work on behalf of the Joint Committee) wholly or mainly carrying out the functions set out in paragraphs 1 to 8 above

10. The appointment of a Head of Revenues and Benefits with responsibility to report to the Joint Committee (such officer to be employed by the Host Authority) who shall be authorised to engage such employees (to be employed by the Host Authority) as may be required in connection with the functions delegated in paragraphs 1 to 8 above and in respect of which budget provision has been made by the Joint Committee/Member Authorities
11. The functions delegated to the Joint Committee shall be exercised subject to any proposed expenditure being contained in the annual Revenues and Benefits budget approved by the Member Authorities and any proposed activities being within the Business Plan approved by the Member Authorities

Bromsgrove summary

Bromsgrove	Total	0	1	2	3	4	5	6	7	8	9	10
Current cost												
Housing Benefits Sub-total	7,450,250	0	745,025	745,025	745,025	745,025	745,025	745,025	745,025	745,025	745,025	745,025
Council Tax Sub-total	5,898,070	0	589,807	589,807	589,807	589,807	589,807	589,807	589,807	589,807	589,807	589,807
NNDR Sub-total	1,748,150	0	174,815	174,815	174,815	174,815	174,815	174,815	174,815	174,815	174,815	174,815
Total current cost	15,096,470	0	1,509,647	1,509,647	1,509,647	1,509,647	1,509,647	1,509,647	1,509,647	1,509,647	1,509,647	1,509,647
Shared Service Operation												
Operational cost / (savings) before Hub and residual costs	(2,623,073)	13,770	29,645	(116,471)	(259,161)	(324,134)	(327,787)	(327,787)	(327,787)	(327,787)	(327,787)	(327,787)
Shared service cost before Hub and residual costs	12,473,397	13,770	1,539,292	1,393,176	1,250,486	1,185,513	1,181,860	1,181,860	1,181,860	1,181,860	1,181,860	1,181,860
Residual costs	777,773	0	0	196,195	91,091	70,070	70,070	70,070	70,070	70,070	70,070	70,070
Shared service cost before Hub	13,251,170	13,770	1,539,292	1,589,371	1,341,576	1,255,582	1,251,930	1,251,930	1,251,930	1,251,930	1,251,930	1,251,930
Hub	247,719	0	13,038	26,076	26,076	26,076	26,076	26,076	26,076	26,076	26,076	26,076
Operational cost of shared service operation	13,498,889	13,770	1,552,330	1,615,447	1,367,652	1,281,658	1,278,005	1,278,005	1,278,005	1,278,005	1,278,005	1,278,005
Investments requirements	380,531	5,082	114,350	156,913	11,435	26,682	20,329	7,623	26,682	3,812	7,623	0
Total cost of shared service operation	13,879,419	18,852	1,666,680	1,772,360	1,379,087	1,308,340	1,298,334	1,285,629	1,304,687	1,281,817	1,285,629	1,278,005
Operational cost / (savings) before Hub and residual costs	(2,623,073)	13,770	29,645	(116,471)	(259,161)	(324,134)	(327,787)	(327,787)	(327,787)	(327,787)	(327,787)	(327,787)
Operational savings before Hub versus current budget	(1,845,300)	13,770	29,645	79,724	(168,071)	(254,065)	(257,717)	(257,717)	(257,717)	(257,717)	(257,717)	(257,717)
Operational savings after current budget	(1,597,581)	13,770	42,683	105,800	(141,995)	(227,989)	(231,642)	(231,642)	(231,642)	(231,642)	(231,642)	(231,642)
Total savings	(1,217,051)	18,852	157,033	262,713	(130,560)	(201,307)	(211,313)	(224,018)	(204,960)	(227,830)	(224,018)	(231,642)

APPENDIX 6 (REVISED)

Worcestershire Councils Revenues and Benefits Shared Services

A Joint Union Response to the Business Case

Project Board responses in italics

This paper is a joint UNISON and GMB response to the proposals set out in the Worcestershire Councils Revenues and Benefits Shared Services Business Case that was presented to the trade unions on 13 September 2006. The five week consultation period that was offered to the trade unions does not permit a detailed response to the Business Case document. However, within this period the trade unions have conducted a series of meetings with employees in Revenues and Benefits Services in each of the District Councils to ascertain the views and concerns of those who currently deliver these services for their respective employers. This response is based on these views.

General Overview

The joint unions would wish to make clear from the outset that they are not opposed to the principle of the shared services concept of service delivery across all of the Worcestershire Councils. The unions recognise the pressure from central government on local authorities to engage in joint working arrangements to deliver services of a high standard that will also produce year-on-year savings. However, it is the view of the trade unions that the thinking that underpins the proposals to deliver a Revenues and Benefits shared service across the Worcestershire Councils is flawed. The unions, and more especially the trade union members who work in Revenues and Benefits services, are concerned that the vision which is driving the proposals is not sufficiently grounded in the reality of what will be needed to deliver a service which will be 'better than the best'.

Project Board: The vision for a Revenues and Benefits shared service organisation (R&BSSO) has been under consideration for over two years. There can be little doubt that the principle is sound and is grounded in reality. In order to ensure that there was a credible and robust business case, the Project Board has gone to great pains to bring together the best available information on the subject, and invite comment and contributions from wherever they have been available.

Technology Base

It is acknowledged by the Project Team that the ICT systems that will ultimately be needed to deliver high quality Revenues and Benefits services across the Councils have not yet been developed. It has been explained that short term benefits will be achieved through the introduction of common working arrangements based on current systems. However, the long term vision of substantial savings to be achieved by shared service delivery of Revenues and Benefits with the Worcestershire Hub at the centre of the service will require sophisticated ICT systems that are not yet available let alone tried and tested.

Project Board: It is true that there is no single database system that could operate all six authorities' R&B systems simultaneously. However the ICT solution is not based on that assumption, or on any other non-existent technologies or systems. Rather it envisages a convergence of all six districts' R&B systems on well proven technologies during the transition phase. It was felt prudent to include investment in the financial model, to enable the R&BSSO to take advantage of emerging technologies which, over a ten year period, may well become standard. Ten years is a long time in technology time-scales! On that basis, a single system may be the ultimate answer.

Over a number of years both UNISON and GMB have witnessed other organisations, both public sector and private sector, fall victim to mounting delays and spiralling costs where they have sought to restructure services based on ICT systems that had not yet been developed. In the case of these proposals the systems and technology will need to embrace the continuing diverse needs of each of the District Councils, will have to be accessible from varied and remote locations (including employees' homes for home working capability) and at the same time secure since the systems will hold a wealth of confidential information.

Project Board: As referred to above, the technologies to be employed during the transition phase are not unproven. There are many tried and tested technologies available on the market, many of which are already in use to some degree or other in some of the authorities. One of the real benefits of the shared service would be to enable the wider adoption of these technologies on a far more cost effective basis.

In addition the systems will have to be sufficiently user friendly to encourage and maximise their use by the public. To date there has been no public consultation exercise to determine how the proposed new arrangements are likely to be received within the community.

Project Board: Interaction with the public will be through the Worcestershire Hub. The Hub continually consults with its customers to ensure that its service delivery continues to improve.

The proposals envisage that the Worcestershire Hub will be at the very centre of the shared service delivery for Revenues and Benefits Services across the County. However, the Hub has yet to demonstrate that it works effectively across all Districts in terms of handling its current workload. The strongly held view of the trade unions is that the additional staffing resources that are identified by the proposals to allow the Hub to undertake this pivotal role will be wholly inadequate to meet the demands of the new service. It is a serious oversight in the business case document that the comprehensive risk analysis of events that might adversely affect the delivery of the shared services implementation does not identify the possibility that the Hub will not function to the level required by the proposals.

Project Board: It is widely accepted that some change is necessary in the governance / management arrangements for the Hub, in order to achieve greater consistency across all of the partners. These arrangements are under review at the moment. One of the inhibitors to progress in Revenues and

Benefits integration with the e-shop CRM system has been the disparity of systems and procedures amongst the districts. The prospects for achieving closer integration with the Hub would be greatly increased by ensuring that common processes and procedures were put in place. In so doing, the Revenues and Benefits Shared Service would actually help to drive greater consistency across the Hub. Driving standardisation of processes and performance across the Worcestershire Hub is one of the 8 defined priorities agreed by the partner organisations.

Staffing Issues

The proposals envisage that the shared service delivery of Revenues and Benefits will be provided by approximately 20% fewer staff. The trade unions are frankly incredulous about the possibility of delivering a quality service with such a substantial reduction of the workforce. Even with the availability of improved working systems it will not be possible to deliver the service with the staffing levels set out in the proposals without exposing staff to severe work pressure and the consequent danger of work related stress.

Project Board: The Revenues and Benefits work stream conducted a benchmarking exercise which established the optimum staffing levels for the overall projected workload. At first sight, the headline figure of a 20% reduction may sound high. However, when taking into account the current level of vacancies, the number of temporary employees, the fourteen additional posts proposed for the Hub, and high levels of natural wastage in some authorities, the equation becomes much more understandable.

The necessary skills and abilities that are required to carry out Revenues and Benefits work can be acquired only through experience and training. The value of working in teams located at a single office site cannot be overstated. There is a great danger that the expertise and support that exists in this team based approach to the work will be lost in a desire embodied in the proposals to introduce new, more flexible working arrangements. This will be to the detriment of the service.

Project Board: The management of the R&BSSO would no doubt be very keen to ensure that a team working culture becomes widespread throughout the organisation, regardless of location. Flexible working gives opportunities for creative ways to nurture and develop team working, without confining the employees to a single site. A performance and development culture, combined with a culture of greater trust in employees would be crucial ingredients to make the R&BSSO a success.

The proposals envisage a number of jobs being centralised in the host authority for which role Wychavon DC is to be recommended. The trade unions acknowledge that the precise number and nature of the jobs that will be located at the Wychavon offices have yet to be finalised. However, a number of staff who have identified their current job role amongst the centralised jobs have already raised concerns about the potential problem of relocating. Any requirement to travel significant distances in order to relocate will especially impact on staff who have care responsibilities and those who are reliant on public transport.

Project Board: The number of staff who may be required to relocate to the host authority is not expected to be high. As far as possible personal circumstances would be taken into account when establishing staff locations.

The proposed shared service arrangement for Revenues and Benefits will require a new staff structure. Assimilating the existing postholders in each District Council into the new structure will present a considerable problem. The proposals have suggested that a staged transfer of staff would be a practical and sensible way to deal with this. Initially it is proposed to second staff to the host authority and subsequently, two years later, staff will formally transfer to the employment of the host authority protected by the Transfer Regulations (TUPE). However, in a judgement reported earlier this year in the case of Celtic Ltd -v- Astley (2006 IRLR 635), the House of Lords held that in similar circumstances involving the transfer of civil servants the actual transfer was deemed to have taken place at the time of the commencement of the secondment.

Project Board: Backdating the effective date of TUPE transfer to the date of initial secondment was assumed within the business case. So the outcome of the above case has no bearing on the viability of the business case.

This judgement may have implications for Wychavon as the host authority. If the judgement were applied to the suggestion for a staged transfer contained in the proposals then Wychavon would assume responsibility as an employer for transferring staff at the very outset of the process. Wychavon, alone of the District Councils, has not engaged in a review of its current pay and grading structure using an equality proofed job evaluation scheme in line with the Local Authority NJC requirements. Wychavon will take on staff who are required to undertake the same or similar jobs as their colleagues but who will be employed on different rates of pay and have different contractual terms and conditions. This will present the possibility of equal pay challenges without the means to defend and address such claims.

Project Board: As host, Wychavon would be indemnified by the other partners, and so any liability would be shared across the partnership. In any event, Wychavon have a local agreement with staff and unions regarding the acceptability of their JE scheme.

In the event that the sufficient numbers of councils agree to proceed with the shared service proposals for Revenues and Benefits then the trade unions will seek urgent discussions to agree an appointments process for the new staff structure including, ringfencing arrangements, salary protection and arrangements for the provision of alternative work for displaced staff. The unions are committed to firmly resist any compulsory redundancies arising out of the introduction of shared services.

Project Board: The Project Board is fully committed to engaging in consultation with the unions, and has already made proposals for a Joint Consultative Committee to be formed.

Upheaval within Continuing Service

The proposals set out in the Business Case document provide for a gradual move to a shared services arrangement for Revenues and Benefits rather than a 'big bang' approach to the introduction of the new services. This is unavoidable given the fact that processes and systems to facilitate the new arrangements have yet to be identified, agreed and developed. The inevitable consequence of this approach is that existing arrangements will need to be used to deliver and maintain the present service whilst new systems and arrangements are developed in parallel. Experienced and skilled staff will have to be taken away from current service delivery to assist with work on new systems and procedures. Although resources have been identified to back-fill the posts of staff who are taken away from their current work, it seems clear that there is no readily available pool of skilled staff who can be called upon to take over this work. Staff fear that this will create problems in terms of maintaining the present service and may result in a dip in performance levels over the coming years.

Project Board: The importance of "back-filling" was recognised at an early stage in the development of the business case, and as a result, significant funding has been built into the financial model to ensure that every effort is made to protect service levels during the crucial transitional phase. There is no bottomless pit of Revenues and Benefits staff, but recent recruitment campaigns have attracted considerable numbers of applicants, so suggestions of a shortage are perhaps misplaced.

The time scales that are envisaged in the proposals provide for the first stage of moving to the new structure to take place in April 2007. Individual staff members have flagged up the difficulties of implementing the first stages of the restructuring around this critical time of the year for staff who are involved in Revenues and Benefits services.

Project Board: The bulk of Revenues and Benefits staff will not be involved in any work relating to the setting up of the R&BSSO before the start date of 1 April 2007. There will be no noticeable changes to their working arrangements before then. The key activity at this stage will be detailed planning of the transitional phase, and appointment to the most senior post(s).

Past experience has shown that in the face of upheaval and uncertainty organisations experience serious difficulty in retaining staff with the skills and experience that are necessary to ensure the future delivery of a quality service.

Project Board: True, some staff may be daunted by the scale of change. But, it is proposed to conduct the transitional phase in the least disruptive manner possible: initial secondment instead of attempting to implement TUPE from Day 1; convergence of ICT systems rather than Big Bang change; clear commitment to avoid redundancies; etc. There are more opportunities for staff than threats in this proposal, and many will actually find it quite a positive challenge rather than a significant threat.

Summary

The crucial financial role of Revenues and Benefits services for individual councils together with a continuing need for councils to retain individual features within the service make the choice of this service as the first experiment in a shared services concept somewhat surprising. It is, of course, a matter for each council to decide whether in the circumstances it is willing to relinquish direct responsibility and accountability for these critical services.

Project Board: The district councils will not be relinquishing power. There will be safeguards such as: that key decisions would need unanimous agreement; overall budgets would need to be agreed by partner authorities; the Joint Committee would be subject to Overview and Scrutiny by each of the partner authorities.

It is, however, the considered view of the joint unions that the 'holy grail' of local authority service delivery - delivering an improved service by fewer staff at a reduced cost – is unlikely to be realised by these proposals. There are too many uncertainties in the Business Case as presented. In order to achieve the level of savings that have been identified there is a dependence on technology and systems that are not yet developed as well as a substantial reduction in staffing levels. In the opinion of the trade unions this is unrealistic.

Project Board: A business case for such a major venture could never achieve certainty. Hopefully the answers given above indicate the degree of rigour that has gone into the development of this business case.

If the proposals set out in the Business Case are accepted by individual councils then it is likely that the impact will be felt not only by the staff that are currently engaged in the provision of Revenues and Benefits services but also by other staffing groups within present council structures. The joint unions will demand comprehensive and meaningful consultations in respect of all of the staffing implications arising out of any decision to proceed with the proposals.

Project Board: Agreed.

Peter Fennell
UNISON Regional Organiser

20 October 2006

Project Board

24 October 2006

Worcestershire Revenues and Benefits Shared Services
Detailed Business Case

Response from the Worcestershire
Revenues and Benefits Managers

Project Board responses in italics

This document has been put together jointly by the Revenues and Benefits Managers of the six Worcestershire District Councils.

Revenues and Benefits are a key frontline service of major importance to the councils and citizens of Worcestershire. In 2006/07 the combined services will be collecting over £400m in council tax and non-domestic rates from 260,000 households and businesses and providing financial support to around 40,000 benefit claimants on any given day. The Worcestershire Revenues and Benefits Managers welcome any proposals for change which are intended to lead to an improvement in the quality of the service we deliver to those customers. Having considered the proposals set out in the detailed business case we would like the following points to be taken into account by the Project Board and the Council Chief Executives, Leaders and Members as part of the decision making process.

1. The proposal – key benefits and risks

1.1 The Executive Summary states that “The detailed business case demonstrates clearly that it is possible to achieve significant service improvements and cost reductions”. We do not believe that the business case provides enough detail to demonstrate how both of these objectives can be achieved at the same time, particularly in view of:

- a) the staffing and organisational arrangement that is proposed;
- b) the reliance on information technology that is not yet developed;
- c) the dependence on improvements in the Hub;
- d) the short timescale proposed for implementation;
- e) the uncertainty of achieving significant support service cost reductions.

These points, and others, are covered in more detail below.

2. Staffing and Organisation

2.1 The proposal reduces the number of staff delivering Revenues and Benefits from 262 to 201, a reduction of 61 or over 23%. To improve performance with such a large reduction in the workforce will require major improvements in efficiency. It is not clear from the business case how those efficiency gains will be made.

Project Board: The headline % figure is somewhat misleading. Taking into account the number of existing vacancies, together with the additional 14 posts proposed for the Hub, the actual reduction is much lower. The benchmarking exercise conducted by the Revenues and Benefits work stream established the optimum staffing levels for the overall projected workload as being about 200.

2.2 The business case suggests that the reduction in numbers can be accommodated by natural wastage. It seems unlikely that turnover would be equal to

23% of the workforce in the two year implementation period. Also, turnover will not be spread equally over the various grades and will be lowest at the manager and team leader level where the greatest reductions are proposed. This will have a knock on effect on the tier below and could lead to some very experienced and capable managers and team leaders failing to secure a post at an appropriate level, to the detriment of the service as a whole

Project Board: As indicated above, an overall 23% reduction is not actually projected. Turnover is variable across the districts, averaging 8% per year at present. The flexibility of the workforce in a shared service would tend to ease problems arising from an uneven spread of turnover, providing career opportunities for more employees.

2.3 The proposed structure and numbers are not right for six sites. The Revenues and Benefits workstream prepared this on the basis that it would be on one site. It is our view that more staff would be needed to support six sites. For example, there are only four Council Tax team leaders. This means that either two sites would not have a Council Tax team or two more team leader posts are needed. In the latter case the ratio of team members to team leader would be lower in Council Tax than in Benefits. It may also be necessary to have a manager specifically looking after home and mobile workers.

Project Board: The proposed structure was produced on the basis of the HQ and satellite model, which was the basis for the business case for many months. It is an indicative structure – not cast in stone – which would be subject to review by the Joint Committee / R&BSSO management, when appointed. It is generally accepted from the benchmarking exercise that the overall staffing levels are about right.

2.4 A number of potential difficulties could arise for managers and staff, including lack of face to face contact, lack of management cover in the satellite offices in the absence of team leaders and the time and cost of travelling between six offices spread over a large county.

Project Board: Flexible working does present different challenges to managers as well as staff. However, it presents opportunities for creative ways to nurture and develop team working, based on a performance culture, combined with an atmosphere of trust in employees. Flexibility within the management / team leader structure should provide “cover” wherever required.

2.5 there is an immediate risk of losing experienced staff due to uncertainty of future prospects - the Head of Revenues and Benefits at Bromsgrove has already left the county for that reason. At the same time it is likely to be difficult to attract good new staff to the service during the transitional period.

Project Board: That is a risk. However, Worcester City’s recent experience is that they have appointed a new manager, who came in the full knowledge of the shared service proposal. (There seems to be a contradiction between this point and the point made in 2.2.)

2.6 the business case refers to “opportunities for staff” as one of the merits of the proposal. We cannot see where those opportunities arise in a flat organisational structure with fewer staff overall and a significant reduction in the number of management positions.

Project Board: The scale of the proposed organisation, along with the flexible approach to work location should provide greater opportunities for career development than six separate organisations. If this proposal goes ahead, the

R&BSSO will be a national leader in Revenues and Benefits administration, which would present further opportunities for all concerned.

2.7 A major feature of the proposal is the introduction of home working. We are not aware that any research has been done in the county to gauge the likely interest or how many staff have the facility to be able to work from home, but anecdotally the view is that interest would be low. That could have a bearing on the costings and the need for office space. Staff should be told what the home working policy would be before being asked to make any decision.

Project Board: Certainly more work needs to be done to provide staff and managers with a balanced view of the pros and cons of flexible working. It is not proposed to force staff to work from home – merely to encourage where appropriate. The financing of the business case takes no account of potential office accommodation savings, on the cautious basis that some may be non-cashable savings.

2.8 We understand the need to appoint the best person possible to the Head of Service post. Who will compile the job description and person specification, will an IRRV qualification be a strict requirement or general management? It is also our view that the proposed salary will not attract the required calibre of applicants.

Project Board: The combination of expertise and experience in wider management along within a specific professional IRRV qualification would be the ideal. It is also recognised that the salary would need to be somewhat higher than originally projected. This point was highlighted at a recent Chief Executives / Leaders meeting.

2.9 We are pleased to see that money has been allocated so that more staff can be employed during the implementation period. However providing financial resources does not guarantee that the right people can be acquired. The availability of staff in the market place with the necessary skills and experience is limited. Our experience with using contractors shows that they are very expensive and getting the right calibre of people for a project of this scale should not be underestimated.

Project Board: Significant levels of funding were built into the financial model, to ensure that every effort is made to protect service levels during this crucial phase. Recent recruitment campaigns in the area have attracted considerable numbers of applicants, which is the most up to date indicator of the pool of available staff.

3. Information Technology

3.1 The business case correctly identifies IT as being critical to the achievement of the objectives of a shared Revenues and Benefits service. However, the total IT solution outlined in the business case does not yet exist. As far as we are aware, no software company has a Revenues and Benefits system which allows for the amalgamation of the work for six local authorities.

Project Board: It is true that there is no single database system that could operate all six authorities' R&B systems simultaneously. However the ICT solution is not based on that assumption, or on any other non-existent technologies or systems. Rather it envisages a convergence of all six districts' R&B systems on well proven technologies during the transition phase. It was felt prudent to include investment in the financial model, to enable the R&BSSO to take advantage of emerging technologies which, over a ten year period, may well become standard. Ten years is a long time in technology time-scales! On that basis, a single system may be the ultimate answer.

3.2 Integration of the CRM system (e-shop) with the Revenues and Benefits system is vital if the required improvements are to be made in the Hub. There appears to have been virtually no progress with this over the two to three years that e-shop has been in place. There also needs to be integration with the document management system and there is little evidence of that yet with either of the three systems in use in the county.

Project Board: It is widely accepted that some change is necessary in the governance / management arrangements for the Hub, in order to achieve greater consistency across all of the partners. These arrangements are under review at the moment. One of the inhibitors to progress in Revenues and Benefits integration with the e-shop CRM system has been the disparity of systems and procedures amongst the districts. The prospects for achieving closer integration with the Hub would be greatly increased by ensuring that common processes and procedures were put in place. In so doing, the Revenues and Benefits Shared Service would actually help to drive greater consistency across the Hub.

3.3 In light of the points above, and based on our previous experience of system conversions and the IT impact of major legislative changes, we feel that two years is an unrealistic timescale for the implementation, particularly as this includes the introduction of home working and mobile working, and would be happening alongside major organisational and staffing changes.

Project Board: This would be an understandable position if the proposal envisaged fundamental change to the systems in operation. However, as referred to in the response to 3.1, the proposal envisages a gradual convergence of existing systems, processes and procedures, rather than a "big bang". As regards flexible working, there are many tried and tested technologies available on the market, many of which are already in use to some degree or other in some of the authorities. One of the real benefits of the shared service would be to enable the wider adoption of these technologies on a far more cost effective basis.

3.4 In addition, it should be recognised that due to the statutory nature of the services provided by Revenues and Benefits, there will still need to be six separate computer databases which account separately for each authority. This means that there will still need to be six separate annual billing runs, six benefit subsidy claims etc.

Project Board: Agreed. However, one of the key benefits of co-locating and converging the six systems will be the reduced effort and cost of maintaining, supporting and further developing the systems, both from the in-house point of view and the supplier point of view.

3.5 There is a major change in Benefits legislation, the introduction of Local Housing Allowances, which is likely to come into force at April 2008 in the middle of the shared service implementation period. The risk attached to this in IT and organisational terms should not be underestimated. Work on implementation of the new scheme would need to start, at the latest, in the autumn of 2007.

Project Board: Changes in legislation will happen from time to time. Coordinating these changes in a consistent way within a shared service should prove to be far more cost effective than doing them separately in each district.

3.6 We have some difficulty in understanding how the future IT costs, have been calculated. All of the six districts are now using one of the two leading Revenues and Benefits systems and document management systems. Three of the councils have introduced one or more of those new systems within the last three years. In normal circumstances it is unlikely that any council would change those systems in the next

5 to 10 years, due to the resultant loss of time and investment (some DWP funded), and the need to disrupt existing integration with other council IT systems.

Project Board: The projection of a 50% saving on IT costs is based on discussions with the major suppliers used by the districts. They took the view that the cost to them of supporting, maintaining and upgrading six different authorities' IT systems (even if each remains on a separate database) would be considerably reduced by bringing them together at the host site and making the operational and user processes and procedures more consistent.

4. Worcestershire Hub

4.1 In the business case much emphasis has been placed on the importance of the Hub. We strongly agree that the success of a shared service would depend heavily on a successful Hub operation. However, in the light of past experience, we question whether the enhanced Hub service can be achieved quickly enough to support the shared Revenues and Benefits operation, which is required to make performance improvements from year 2 onwards.

Project Board: As referred to in the response to 3.2, there are changes afoot in the Hub governance / management arrangements. They are designed to ensure that it can operate as flexibly and dynamically as needed to deal with these sorts of issues. Driving standardisation of processes and performance across the Hub is one of the 8 priorities agreed by the partners.

4.2 At the moment there appear to be many inconsistencies in the scope and standard of services provided by the Hubs and differing levels of commitment in local authorities. For example, we understand that Malvern is considering the use of the Allpay service instead of having cashiers at their Hub. We are not aware of any uniform approach to this across Worcestershire. Redditch has housing stock, which means the level, and types of queries received there will be very different from the other five authorities where those queries will be handled by the respective Housing Associations. Some Hub offices are well established but others are very new and still in the process of getting up to speed with the existing service delivery arrangements. There are many more differences which need to be addressed.

Project Board: See responses to 3.2 and 4.1.

4.3 We have some concerns over the Hubs ability to answer our customer's queries on the telephone in a consistent manner across six different locations and the difficulties of liaising with six different Hub managers when issues arise.

Project Board: See responses to 3.2 and 4.1.

4.4 There is not yet one of the Hubs with the capacity or capability to handle ALL Revenues and Benefits calls. Even at Malvern where the Hub telephony operation is more advanced Recovery issues are always dealt with in the back office. One option which may be more efficient is to have one telephone contact centre operated by Revenues and Benefits experts. We believe this should be investigated further.

Project Board: See responses to 3.2 and 4.1.

4.5 The number of staff in the proposed shared service structure is very dependent on the Hub working efficiently. It is not clear from the business case where the hand off points will be which makes it difficult to assess whether the staffing numbers on each side are correct.

Project Board: See responses to 3.2 and 4.1.

4.6 The business case gives the impression that the main job of the Hub is to answer Revenues and Benefits queries when in fact this is just an element of their overall workload. As a result Hub staff are required to have a wide breadth of knowledge about all services. We welcome the idea of providing more of the Revenues and Benefits service at the front line but emphasise that must be specialist staff and not generalists. The business case rightly identifies the need for the Hub operation to provide a consistent approach across Worcestershire. Our concern is not their ability to do so but the time it will take to get there, the initial and on-going training needs and the new technology which is required but not yet in place.

Project Board: See responses to 3.2 and 4.1.

4.7 Service Level Agreements have not been effective in the past. There will need to be some method of making the Hubs accountable as they will be a key player in assisting the shared Revenues and Benefits service to be "better than the best"

Project Board: See responses to 3.2 and 4.1.

4.8 In light of the points above, in our view it would be better to concentrate resources on establishing the Hub as a 'shared service' first, to prove the concept. Otherwise there is a risk that staffing will be reduced in the 'back office' on the basis of improved service in the Hub which may never materialise.

Project Board: As mentioned above, the governance and management arrangements for the Hub are under review, to enhance its role as a virtual shared service.

5. Control and Monitoring

5.1 The business case is silent over what accountability there will be for individual authorities to be able to manage performance of the Shared Service. There is no mention of a client side operation but in reality there will have to be. No authority is going to lose control of one of its key services without having regular accountability and monitoring. One political representative on a Joint Committee will not be as effective as current monitoring and scrutiny arrangements. We note the proposed Officer Steering Group mentioned in the Frequently Asked Questions but are unclear at what level this is pitched.

Project Board: The districts will not "lose control" of their Revenues and Benefits services. Rigorous safeguards will apply as part of an agreed accountability framework. Within the Joint Committee, key decisions would need to be agreed unanimously; overall budgets would need to be agreed by partner authorities; the Joint Committee would be subject to Overview and Scrutiny by each of the partner authorities. On the Officer side, it will be for each authority to determine the degree of scale of any pseudo client side role. Some authorities may take the view that an existing (and continuing) Head of Service could fulfil this role.

6. Financial Considerations and Risks

6.1 According to the Executive Summary over £1m, or 60%, of the projected £1.6m annual savings will come from reductions in support service costs. However, this assumes that each council can 'lose' 75% of the support costs currently charged to Revenues and Benefits. Given the previous experience with the Building Control 'shared services' proposal we don't believe these issues have been resolved.

Project Board: The issues relating to Building Control were peculiar to the prevailing circumstances, and did not relate only to residual costs. As for achieving residual cost savings, it will be up to each individual authority to decide how it achieves them. Some authorities may take the view that some of their residual costs are “non-cashable” savings which may be used to meet capacity shortfalls in other areas.

6.2 Has it been confirmed whether it is legal to share savings in the way outlined in the business case? This means that Council tax payers in one area will be subsidising those in another area.

Project Board: Section 103 of the Local Government Act 1972 provides that expenses incurred by a Joint Committee shall be defrayed in such proportions as the authorities who are members of the Joint Committee agree. In any event the proposals do not mean that "the Council tax payers in one area will be subsidising the Council tax payers in other areas" since the projected savings which are available to all authorities only arise if authorities agree to participate in these arrangements and are not otherwise available to them. Far from one set of Council tax payers subsidising others, all Council tax payers benefit from these proposals.

6.3 There appears to be a big risk for the host authority in terms of being able to meet all the expectations

Project Board: The host authority would take on the burden of risks associated with much of the transitional activity. However, the partnership would indemnify the host from any financial consequences arising from these risks.

6.4 If there was a significant increase in workload in one local authority area, for example if a major employer such as Kays closed down, how would the additional cost of this work be allocated? Are the increases in costs to be shared across all partners in the same way as the savings?

Project Board: The proposed formula for apportioning savings amongst the partners is based on workloads. These would be reviewed annually for each authority, to take account of any significant variations, such as the example given.

6.5 The business case does not appear to explain how the local authorities are going to fund the up-front investment of £8.4m needed in the Hub, ICT and transformation resources.

Project Board: The overall investment is projected at approximately £5M, some elements of which may not need to be up-front. The Treasurers have established that this is affordable, though in some cases not without some difficulty. However, the Project Board is currently in discussions with central government to establish whether any pump priming funding (perhaps in conjunction with some relaxation of financial constraints) may be available. The indications seem hopeful, but it is clear that any bid would be most likely to succeed if the shared service has all six districts on board!

7. Conclusions

7.1 We understand the need to consider shared services as one way of achieving the efficiency savings required by Gershon and at the same time improving services for our customers. However, the detailed business case does not provide enough detail to demonstrate that the proposal will achieve the stated outcomes.

Project Board: No business case could deal with every eventuality, answer all questions or provide certainty. Hopefully the answers given above indicate the degree of rigour that has gone into the development of this business case, and that it is sufficiently robust to provide staff, Managers and Members with the confidence to accept it.

7.2 At a time when each council could be committing to large scale investment in long term plans for the Revenues and Benefits service, we need to be mindful of the fact that the Government White paper is due out very shortly and also the Lyons report is due to be published. Both of these may have an impact on the future of the services we provide.

Project Board: There are clear indications that future grant levels will be drastically reduced for all local authorities in the forthcoming Comprehensive Spending Review (CSR07). In addition, the White Paper on the future structure of local government, which is due imminently, is widely expected to put further pressure on authorities specifically to share services. As a result, the issue for many authorities in the future will no longer be how they can justify sharing services – rather how they can justify not doing so.

7.3 If the shared services project does not go ahead we could make many improvements together without the risk associated with the staffing and organisational changes proposed in the business case. It should be possible to introduce common procedures in the Hub and back office, standard literature and web content, electronic forms, joint training, collaboration in the specialist areas such as Business Rates and Fraud and other elements of service improvement with much lower investment than that proposed.

Project Board: This approach was considered in the options appraisal. However, it is clear that the benefits from this approach would be severely limited, particularly as regards the prospect of achieving efficiency gains.

Worcestershire Revenues and Benefits Managers
October 2006

*Project Board
24 October 2006*

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

1st November 2006

Temporary Street Closure Applications/Events in Bromsgrove High Street

Responsible Portfolio Holder	Cllr Mrs C Spencer
Responsible Head of Service	A R Burton

1. SUMMARY

- 1.1 To seek Members` views on amendments to the Council`s policies relating to applications for Temporary Street Closures and Events in Bromsgrove High Street.

2. RECOMMENDATION

- 1) That the Council cease to undertake risk assessments on behalf of event organisers, or check risk assessments, or advise event organisers with the preparation of risk assessments;
- 2) That the Council cease to provide marshalling services to event organisers
- 3) That the Council`s policies be amended as appropriate.

3. BACKGROUND

- 3.1 Members may be aware that the Council periodically receives applications for it to make Temporary Street Closure Orders, eg to facilitate parades or civic events such as Remembrance Sunday marches. Attached at Appendix 1 is the "Information on Temporary Street Closures" document which is made available to applicants. Similarly the Council receives applications for approval of events to take place in Bromsgrove High Street.
- 3.2 The power to make Temporary Street Closure Orders stems from the Town Police Clauses Act 1847, the wording of which is somewhat archaic in nature and does not provide particular guidance to the Council on, for example, the subjects which the Council ought properly to take into consideration when determining applications.

3.3 In passing Temporary Street Closure Orders for roads not in its ownership, the Council has no duty to ensure that events are properly run and managed, or that risk assessments have been undertaken, or that events are properly marshalled. The information document published by the Council states, on page 3, that applicants should provide risk assessments which will be checked by the Council's own Health and Safety Officers who will, if the assessment submitted is deemed unsatisfactory, require the applicants to submit another.

3.4 In practice, it appears that the Council has gone beyond the process of request risk assessments, and has:-

- checked risk assessments which are submitted,
- advised applicants on the preparation of their risk assessments,
- on occasion, undertaken those risk assessments on behalf of applicants.

3.5 These functions present a particular drain on resources which it is felt cannot be sustained. Furthermore, it is felt that this may expose the Council to potential liability if, having considered a risk assessment submitted by an applicant and approved it, or even assisted them with preparing it, something should occur to call that assessment into question. It is not possible to state conclusively whether or not the Council might be liable in such circumstances because the legal position is unclear. The most which can be said is that if the Council verifies risk assessments submitted by applicants or assists in the preparation of the same, it *may* be liable should those risk assessments prove inadequate, and the greater the involvement of the Council with the risk assessments, the more likely it is that the Council might incur liability. If, on the other hand, the Council were to change its policy and do no more than advise that applicants arrange a risk assessment, the risk to the Council would be significantly reduced but it must be conceded that its total elimination cannot be guaranteed.

3.7 It is suggested that to minimise liability, the Council should do no more than recommend to applicants that they prepare or procure a risk assessment

3.8 With relation to events which take place on land which is owned by the Council, different criteria apply and the Council would be potentially liable under the principles of Occupier's Liability. In such cases, it is recommended that the Council should formally undertake risk assessments itself or require the event organisers to submit risk assessments for approval by the Council's Health and Safety Officers.

3.9 It may be useful as part of consideration of this item to consider the following list which represents typical Street Closure Applications which the Council might normally expect to receive over a 12-month period:-

Event	Organiser
Palm Sunday procession	Clent Church
St George`s Day Parade	Bromsgrove Scout Council
Fun Run	Leukaemia Research Fund
Rubery Festival Procession	Rubery Festival Committee
Barnt Green Festival	Barnt Green Parish Council
Bromsgrove Court Leet Procession	Bromsgrove Court Leet
Bromsgrove Hospital Carnival Committee	Bromsgrove Hospital Carnival Committee
Timberhonger 10k Bromsgrove Carnival Road Race	Bromsgrove Hospital Carnival Committee
Race for Life	Cancer Research
County Annual Rally	Royal British Legion – Worcester County Branch
Alvechurch Alight Procession	Alvechurch Alight Committee
Belbroughton Scarecrow Weekend	Scarecrow Committee (Sub-committee of Parochial Church Council)
Alvechurch Mop	Wilson's Amusements
6 Remembrance Day Parades	Royal British Legion branches except Catshill Parade, organised by "Churches Together"
Finstall Carol Service	Finstall Parish Council

- 3.10 There are occasions when staff from the Street Scene & Waste Management Department are involved in marshalling at events organised other than by the Council itself and not taking place on Council-owned land. There appears to be no formal policy in place to determine on what occasions Council staff will act as marshals, and where this has occurred the service has been provided in a spirit of helpfulness to event organisers. The Council must therefore decide whether it is willing to continue with this practice in which case it should ensure that a satisfactory risk assessment is provided and that insurance cover is in place.
- 3.11 The writer has sought information from other Councils as to their requirements. This has revealed that the Council's existing Information document is not markedly dissimilar from the majority of Councils consulted: where this Council's current practices do differ is that the Council appears to go further than other Councils in providing direct assistance to event organisers with their risk assessments.
- 3.12 The Home Office has published an extensive booklet of guidance for those wishing to hold events necessitating Temporary Street Closure Orders: this advises event organisers to undertake risk assessments and to submit the same to the Local Authority and/or Police, but does not comment on whether the Authority can or should approve the same. It suggests that event organisers should ensure that their marshals are properly trained, but does not impose on Authorities an obligation to do so. Again, the legal position is unclear but a safer course of action would be to do no more than advise event organisers that their marshals should be properly trained.
- 3.13 It is therefore recommended that in order to minimise potential liability on the Council, the Council's position should be to do no more than advise event organisers:-
- a) To obtain risk assessments
 - b) To have properly trained marshals
 - c) To take out public liability insurance.

In no case should the Council itself do any of those points.

- 3.11 A separate policy applies to events taking place in Bromsgrove High Street (which is not owned by the Council). This currently requires that risk assessments must be presented to the Council, for checking. In order to maintain a consistent approach, it is recommended that the policy be amended to refer only to advising event organisers to undertake or procure a risk assessment.

- 3.12 Events occurring in Bromsgrove High Street over a 12-month period might commonly include:-

Event	Organiser
Siting a bed in support of Acorns Hospice Appeal	Bromsgrove Lions Club
Shopper entertainments	New Song Community Church
Lifeboat Appeal	RNLI
Ambulance & display boards in support of a collection	St John Ambulance
Blood Donor recruitment vehicle	Blood Donor Service
World`s Biggest Coffee Morning	MacMillan
Pop-up shelter, dogs, display board	Greyhound Roadshow
Recycling exhibition vehicle	Worcestershire County Council
Ferret Tank	Poppy Appeal
Craft stall in support of appeal	BBC Children in Need
Children`s Ride (Christmas, New Year period)	
Christmas Carols	Brass Bands

4. FINANCIAL IMPLICATIONS

- 4.1 None

5. LEGAL IMPLICATIONS

- 5.1 Set out above

6. CORPORATE OBJECTIVES

6.1 Not applicable.

7. RISK MANAGEMENT

7.1 The proposal to cease active involvement with risk assessments will reduce the risk of liability to the Council. The Council carries Public Indemnity Insurance in respect of its normal areas of business, but whether or not cover would extend to undertaking risk assessments on behalf of independent event organisers is uncertain because it is not clear whether that activity constitutes normal Council business.

8. CUSTOMER IMPLICATIONS

8.1 There is a potential implication for the Council's customers if those who wish to hold events necessitating street closures are themselves unable to undertake a risk assessment: the Council may be regarded as being unhelpful. Members may also wish to bear in mind that the subject of Health and Safety requirements in relation to such issues has recently been the subject of media attention in certain areas of the press.

9. OTHER IMPLICATIONS

Procurement Issues	<i>None</i>
Personnel Implications	<i>None</i>
Governance/Performance Management	<i>None</i>
Community Safety including Section 17 of Crime and Disorder Act 1998:	<i>The Council is subject to a clear duty under section 17 of the Crime and Disorder Act 1998 to do all that it reasonably can to prevent crime and disorder in its area. This has clear implications for the Temporary Street Closure Order process, but the Act itself does not provide guidance on how that process might operate.</i>
Policy	<i>None</i>
Environmental	<i>None</i>
Equalities and Diversity	<i>None</i>

10. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Acting Chief Executive	No
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Author
Head of Financial Services	Yes
Head of Legal & Democratic Services	Author
Head of Organisational Development & HR	Yes
Head of Street Scene & Waste Management	Yes
Corporate Procurement Team	N/A

11. APPENDICES

Information on Temporary Street Closures

12. BACKGROUND PAPERS

Home Office "Good Practice Guide"

CONTACT OFFICER

Name: A R Burton, Head of Legal & Democratic Services
E Mail: a.r.burton@bromsgrove.gov.uk
Tel: (01527) 881426

Bromsgrove District Council

Information on Temporary Street Closures



Ms. Della McCarthy
Committee Services Officer

Updated August 2006

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FLOWCHART: Street Closure Order Process

APPLICATION FORM

BROMSGROVE DISTRICT COUNCIL

INFORMATION ON TEMPORARY STREET CLOSURES

Section 21 of the Town Police Clauses Act 1847 empowers local authorities to close streets to prevent obstruction “in all times of public procession, rejoicing, or illuminations, and in any case when the streets are thronged or liable to be obstructed”.

This Section is used to close streets to traffic on occasions when the ordinary day-to-day use of the street or highway is, or liable to be, obstructed or dislocated by substantial numbers of persons, on foot or in vehicles, participating as spectators or otherwise in the occasion. Examples are:

- National Celebrations
- Local Carnivals and Fairs
- Street Parties
- Processions
- Illuminations
- Short Charity Runs/Walks
- Specialist Street Markets
- Acts of Worship

However, the words “in any case when the streets are thronged or liable to be obstructed” cannot be read so as to include any other type of activity. The right to close streets must be limited to “public processions, rejoicings and illuminations” and cannot be extended to any other type of event.

For events other than carnivals and processions, event organisers must consider whether or not there are more suitable venues other than on the public highway.

Types of Street Closures

There are two types of street closure. The first involves a static event where the physical closure of the road is necessary for some considerable time and requiring the signing of diversionary routes. The second allows a moving procession to pass over a number of roads during the time the closure is in force but it is only necessary to interrupt the flow of traffic for short periods while the procession crosses a particular part of the route.

Information the Council requires

In all cases where the proposal is to hold an event on the public highway, the first priority of the event organiser must be to obtain the necessary permission from the authorities. Event organisers should ensure that they allow themselves sufficient time to fully plan the proposed event and requests for a temporary road closure order should be made giving suitable notice having regard to the type and scale of the event proposed. As a general rule, full applications/requests (see list on page 2) should be submitted *early in the event planning process and **no later than 2 months** before the proposed event.* However, events which require many months of planning will obviously require applications to be submitted much earlier.

STREET CLOSURES

Below is what is needed for an application/request to be processed:

- The name of the organisation
- Contact details including address, telephone number(s) and email address (if any)
- Brief details of the nature of the proposed event including the location (e.g. Bromsgrove town centre), date and time
- The anticipated numbers of persons attending the location within the road closure
- The name of roads and lengths to be closed
- The length of time of the anticipated street closure
- An alternative/diversion route should be stated by the organiser (only necessary when the route needs to be closed for more than 30 minutes. For further advice please contact the Worcestershire County Council's Highways Partnership Unit. See "Useful Contacts" section for contact details)
- A map showing the proposed event route and the roads which need to be included in the Street Closure Order
- A risk assessment (to include next point relating to marshalling & barrier arrangements)
- Marshalling/Steward arrangements (we need to know who they are e.g. are they hired marshals or trained volunteers)

IT IS IMPORTANT TO STRESS THAT APPLICATIONS/REQUESTS WILL NOT BE ACCEPTED UNLESS ALL THE RELEVANT INFORMATION REQUIRED IS INCLUDED.

To request a Street Closure Order, an application form should be completed. Application forms can be obtained from Della McCarthy, Legal and Democratic Services at Bromsgrove District Council. You can telephone her directly on 01527 881407 or email her at d.mccarthy@bromsgrove.gov.uk. You can also download a copy from the Council's website: www.bromsgrove.gov.uk/streetclosures. ***Completed application forms/requests should be marked for the attention of Della McCarthy, Legal and Democratic Services at Bromsgrove District Council.***

Event organisers should be aware that if they submit an application late or do not provide all the information required (listed above), they run the serious risk of having to postpone the proposed event or cancel it altogether. It is important to realise that there can be no guarantee that an application will be successful. It is, therefore, unwise for event organisers to incur expenses in promoting or advertising an event prior to obtaining approval for the staging of the event together with the appropriate Street Closure Order.

STREET CLOSURES

If you have any other requests which relate to the proposed event, organisers can send it in with their Street Closure application form. It will then be referred to the appropriate department/officer for processing.

Copies of applications received may be passed to other relevant parties. Event organisers may therefore, be contacted direct by these parties concerning certain aspects of the proposed event (e.g. charitable collections, public entertainment, use of land etc) if there is a need to do so.

Risk Assessments

An application/request will not be processed without a risk assessment so it is important the organisers are aware how to complete one.

The purpose of a risk assessment is to identify hazards that could cause harm, assess the risks that may arise from those hazards and decide on suitable measures to eliminate or control the risks.

A *hazard* is anything that has the potential to cause harm to people and a *risk* is the likelihood that the harm from the hazard is realised and the extent of it.

The aim of a risk assessment is to make sure that no one gets hurt or becomes ill. There is a helpful leaflet available called "Five Steps to Risk Assessment" which assists organisers to assess risks in five easy steps. It is produced by the Health and Safety Executive and you can request a free copy from Della McCarthy, Legal and Democratic Services at Bromsgrove District Council. (See "Useful Contacts" section for contact details). Or you can log on to the Health and Safety Executive's website: www.hse.gov.uk and click on the link for "Free Leaflets".

Please also ensure that you state in your risk assessment what your arrangements are relating to barrier hire and marshals. You should state who the marshals are (e.g. professionals from a company or trained volunteers) and where you intend to hire barriers or other equipment, if required.

Please note that it is essential that all barriers should be manned by responsible stewards/marshals so as to be easily removable should emergency services require access. They should also wear high visibility clothing. Both barriers and marshals may be hired from specialist firms and contact details of many of these firms can be found in Yellow Pages (or go to www.yell.com). Please contact either Della McCarthy or the Health and Safety Section at Bromsgrove District Council who may be able to give you further information. (See "Useful Contacts" section for contact details)

Once the risk assessment has been submitted, it is checked by the Health and Safety Section at Bromsgrove District Council. If it is not considered satisfactory, event organisers will be requested to submit another. It is therefore recommended that prior to completing your risk assessment, organisers seek advice from the Health and Safety Section who will try to assist if you have any questions or need any advice in relation to completing a risk assessment. (See "Useful Contacts" section for contact details)

How applications for Street Closure Orders are processed

On receipt of an application (and ALL information which is necessary to process an application is included), West Mercia Police and the relevant departments at Worcestershire County Council are consulted. Copies of the application are sent to them and their comments are requested.

*If the application is **not complete***, clear and including all necessary information (e.g. a risk assessment) then the application is returned to the applicant with details of what is required for the application to be accepted and processed.

If the application is complete and it includes all the necessary information, an acknowledgement letter is sent to the applicant within 10 working days informing them that West Mercia Police and Worcestershire County Council's Highways Partnership Unit are being consulted on their application. The consultation process generally takes approximately 4 weeks.

Depending on its complexity, West Mercia Police will sometimes refer the request/application to their specialist Road Policing Team. They generally need longer to give a response to the application which is why it is so important event organisers submit their application as early as possible.

The risk assessment is sent to Organisational Development and Human Resources at Bromsgrove District Council and the Health and Safety Section try to ensure that it is adequate. If it is not, the applicant is contacted and a member of the Health and Safety Section offers their help and gives advice on how to compile a satisfactory risk assessment.

Once comments/objections have been received from West Mercia Police and Worcestershire County Council's Highways Partnership Unit and from Organisational Development and Human Resources regarding the risk assessment, the request is either approved or refused.

If there are objections from West Mercia Police or Worcestershire County Council's Highways Partnership Unit, the application is refused and the applicant is informed directly.

If there are no objections and the risk assessment is deemed satisfactory, the Order is prepared, signed and sealed within 10 working days and copies are sent to the applicant, West Mercia Police, Worcestershire County Council, Bromsgrove Fire Station and Bromsgrove Ambulance Station and Street Scene and Waste Management at Bromsgrove District Council.

If there are any other known interested bodies, they may be sent a copy of the Street Closure Order for their information too.

A flow chart showing the Street Closure Order process is attached.

The consultation process can be very lengthy and it is therefore recommended that the event organisers contact the Police prior to submit an application. Any concerns the Police have could potentially be resolved at an early stage which will increase the chance that the application will be successful and speed up the process.

What is considered before approving or refusing an application

Bromsgrove District Council, Worcestershire County Council's Highways Partnership Unit and West Mercia Police determine whether or not to approve the making of the relevant Order after taking into consideration details which include the following:

- The timescales involved (applications must be submitted early in the event planning process and allow sufficient time for all aspects of the proposals to be fully considered)
- The necessity for the Street Closure on the grounds of public safety
- The anticipated numbers of persons attending the location within the Street Closure
- The day of the week the proposed event is to take place
- The length of time of the anticipated road closure and probable disruption to traffic flow
- The safety and convenience of alternative/diversionary routes suitable for the traffic which will be affected by the Street Closure (For further advice, please contact the Worcestershire County Council's Highways Partnership Unit. See "Useful Contacts" section for contact details)
- Risk assessment
- Access by emergency service vehicles to locations within the Street Closure zone
- Any objections raised
- Any other grounds deemed relevant to the application

Hiring of Traffic Signs

Route diversion signs and advance warning notices are required by the Highway Authority to warn traffic of the closure and prompt removal of signage is necessary after the event. Such traffic signs and other apparatus for the control of traffic must conform to the requirements of the Traffic Signs Regulations and General Directions 2002. Furthermore, applicants must bear in mind that traffic signs can only be placed on the highway, and removed, by a person who has undergone the appropriate training in accordance with Chapter 8 of the Traffic Signs Manual or is authorised under S.66 of the Road Traffic Regulation Act 1984.

Although the event organiser does not need to state an alternative/diversionary route if the road is going to be closed for less than 30 minutes, Worcestershire County Council's Highways Partnership Unit do still require advance warning notices and route diversion signs. The route diversion sign should state something similar to "*Road Closed Temporarily – Seek Alternative Route*".

Information signs giving the public advance warning of the street closure and the proposed diversion (if applicable) must be erected at each end of the diversion 10 days before the road closure. A typical sign would state "*This road will be CLOSED on (date and times) Reason: (state event) Please Seek Alternative Route*". The name of the organisation arranging the event and a telephone number should also be stated on the sign.

STREET CLOSURES

Traffic signs are available for hire from specialist firms and contact details of many of these firms can be found in Yellow Pages (or go to www.yell.com). These specialist firms should also be suitably qualified to place and remove signs from the highway. The Sign Services offered by the Automobile Association (AA) or the Royal Automobile Club (RAC) may also be appropriate.

IMPORTANT: Please be aware that event organisers should **not** put up signs on any highways apparatus (such as lampposts) as this is classed as flyposting which is **illegal**. Please be warned that Bromsgrove District Council can and will prosecute against those who flypost. If you require further information or advice in relation to flyposting, please contact Graham Rocke, Community Safety Manager, Culture and Community Services at Bromsgrove District Council. (See "Useful Contacts" section for contact details)

It is the organiser's responsibility for all costs associated with the provision of all appropriate traffic signs necessary to enforce the road closure and any diversion(s).

For further advice on appropriate signs and diversion routes please contact Worcestershire County Council's Highways Partnership Unit (see "Useful Contacts" section for contact details).

Hiring of Barriers and other Equipment

If barriers and other equipment are required for crowd control and safety then they are available for hire from specialist firms and contact details of many of these firms can be found in Yellow Pages (or go to www.yell.com).

Barriers and other equipment may also be available for hire to certain organisations from the Council and in this connection you should contact Bernard Edwards, Supervisor, or Michelle Garrett, Business Support Supervisor, Street Scene and Waste Management Services at the authority's Depot in Aston Fields, Bromsgrove, for more information (see "Useful Contacts" section for contact details). You should give them at least three working days notice that you want to hire barriers.

The making of the Street Closure Order and the hiring of barriers or any other equipment is simply a commercial transaction and does not imply that the Council is in any way responsible for what happens at the event and the way in which the closure is implemented. Please also note that the safety of the participants is the responsibility of your organisation as the event organisers.

Although barriers and other equipment may be available for hire from Bromsgrove District Council, it is the organiser's responsibility for all costs associated with the provision of appropriate barriers necessary to enforce the road closure. Please note that full cost of replacement will be required for lost or damaged equipment.

For further information as to whether your organisation can hire equipment from the Council's Depot and of the hiring costs please contact Bernard Edwards, Supervisor or Michelle Garrett, Business Support Supervisor, Street Scene and Waste Management Services at the authority's Depot in Aston Fields, Bromsgrove. (See "Useful Contacts" section for contact details).

Police Powers

The expectation of any applicant must be that police officers will not be available to police any aspect of the Street Closure.

The police reserve the power to modify and, if necessary, remove any Street Closure Order on the grounds of public safety or in the event of a major incident, even if a Street Closure Order is in force. The police also reserve the right to assist in traffic direction if it becomes necessary for any reason. Only the police or someone under their direction can legally undertake traffic regulation on the public highway.

Other

If the event involves public entertainment (e.g. live music) and/or if money is to be collected for charitable purposes, a licence for one and/or both will be required. For further information please contact Sharon Smith, Principal Licensing Officer at Bromsgrove District Council (See "Useful Contacts" section for contact details).

If using a piece of land for a static event, organisers must seek permission from the landowner.

IMPORTANT: Notes to Organisers

Before any Order is made the organisers are advised of the following:

- Barriers should be provided and manned by responsible stewards/marshals, so as to be easily removable should emergency services require access
- The organisers are responsible for the provision of any necessary access for emergency vehicles
- The District Council can accept no responsibility for injury, accident or damage to persons or property
- Bonfires, barbecues and fireworks are prohibited on the highway
- Organisers are responsible for the clearance of any resultant rubbish on completion of the event
- Organisers are responsible for all costs associated with the provision of any publicity material and notices in the local press
- Although barriers may be available from Bromsgrove District Council, it is the organisers responsibility for all costs associated with the provision of all appropriate traffic signs and barriers necessary to enforce the road closure and any diversion(s)
- Organisers are responsible for informing members of the public, especially frontagers and residents who are directly affected by the closure
- Organisers are responsible for contacting other people and businesses such as taxi and bus companies who may be affected by the Street Closure Order
- It is recommended that event organisers consider the appropriateness of having suitable public liability cover for the proposed event
- Bromsgrove District Council is not responsible for what happens at the event or the way in which the closure is implemented

For events other than carnivals and processions, event organisers must consider whether or not there are more suitable venues other than on the public highway.

USEFUL CONTACTS

Della McCarthy

Committee Services Officer
Legal and Democratic Services
Bromsgrove District Council
Direct Line: 01527 881407
Email: d.mccarthy@bromsgrove.gov.uk

Mike Cartwright / Dawn Ibbitson

Health and Safety Section
Organisational Development and H. R.
Bromsgrove District Council
Direct Line: 01527 881399 / 881398
Email: m.cartwright@bromsgrove.gov.uk

Graham Rocke

Community Safety Manager
Culture and Community Services
Bromsgrove District Council
Direct Line: 01527 881486
Email: g.rocke@bromsgrove.gov.uk

Sharon Smith

Principal Licensing Officer
Planning and Environment Services
Bromsgrove District Council
Direct Line: 01527 881626
Email: sharon.smith@bromsgrove.gov.uk

Address of Bromsgrove District Council:

*The Council House
Burcot Lane
Bromsgrove
Worcestershire
B60 1AA*

PC Stan Baker

Crime Risk Manager
WEST MERCIA CONSTABULARY
The Police Station
The Crescent
Bromsgrove
Worcestershire B60 2DF
Direct Line: 01527 586222 / 586221
Email: angela.stafford-cook@westmercia.pnn.police.uk

Worcestershire County Council Highways

Partnership Unit - please contact
Della McCarthy at Bromsgrove District Council, in the
first instance, who will be able to advise you further.

Bernard Edwards

Supervisor (*contact for Barrier Hire*)
Street Scene and Waste Management
Bromsgrove District Council Depot
Direct Line: 01527 881717
Email: b.edwards@bromsgrove.gov.uk

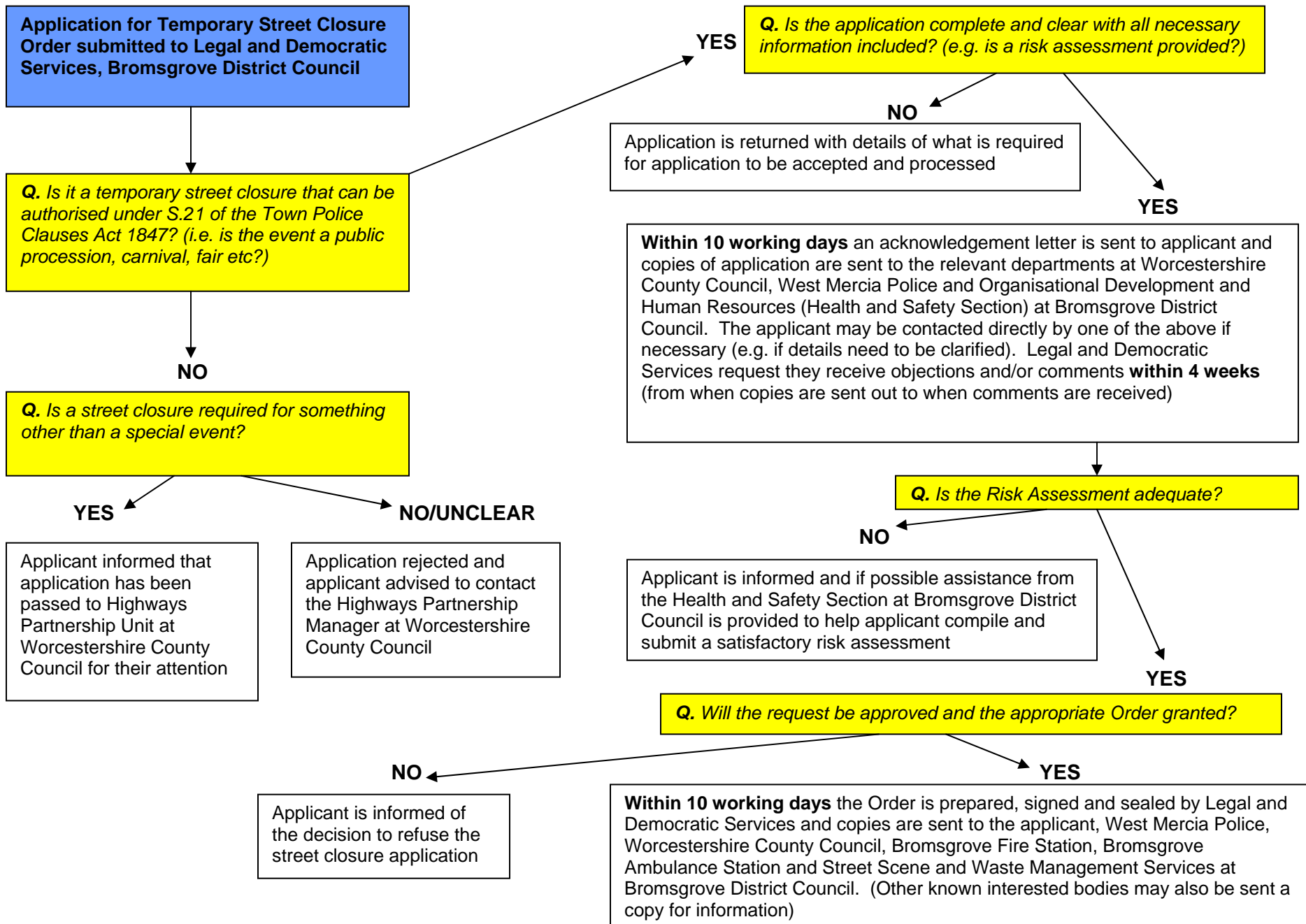
Michelle Garrett

Business Support Supervisor (*contact for Barrier Hire*)
Street Scene and Waste Management
Bromsgrove District Council Depot
Direct Line: 01527 881706
Email: m.garrett@bromsgrove.gov.uk

Address of the Council's Depot:

*Street Scene and Waste Management
Bromsgrove District Council Depot
Aston Road
Aston Fields
Bromsgrove
Worcestershire
B60 3EX*

Street Closure Order Process





APPLICATION FOR A TEMPORARY STREET CLOSURE ORDER

TOWN POLICE CLAUSES ACT 1847 SECTION 21

<i>For office use only</i>
Date received.....
Name of Event.....
Date of Event.....
Name of Event Organisers.....

Please read the document entitled "Information on Street Closures"
before completing this form in BLOCK LETTERS

Incomplete applications will NOT be accepted and will be returned

1. ORGANISATION / APPLICANT DETAILS (Correspondence Address)

Mr / Mrs / Miss / Ms

First Name.....Surname.....

Address.....

.....

.....

Postcode.....

Daytime Tel. No. Evening Tel. No.

Email Address.....

Name of individual(s) or organisation(s) responsible for the planning, safety and conduct of the event (hereinafter known as the "Event Organiser(s)"):

2. DETAILS OF PROPOSED EVENT

- 2.1 Name of event (e.g. Fun Run).....
- 2.2 Type of event (e.g. Procession).....
- 2.3 DAY and DATE of proposed event.....
- 2.4 Times roads will need to be closed **From.....am/pm To.....am/pm**

2.5 Location of proposed event (e.g. Bromsgrove town centre).....

2.6 Have you held this event before in the District? **Yes / No**
If "Yes", what was the date of the last event?

2.7 How many people are expected to attend/participate in the proposed event?.....

2.8 What are your arrangements relating to barrier hire and marshals? Please state who you anticipate the marshals will be (e.g. professionals from a company or trained volunteers) and where you anticipate hiring the barriers from

(Please note: All barriers should be manned by responsible stewards/marshals so as to be easily removable should emergency services require access. Marshals/stewards should also wear high visibility clothing and have the appropriate training which is the event organiser's responsibility)

.....
.....
.....

2.9 Will local residents/business be consulted regarding your proposals? **Yes / No**

(Please note: Organisers are responsible for informing frontagers, residents and businesses who are directly affected by the closure. Event Organisers are also responsible for informing general members of the public of the street closure(s) which can be done via the local media)

If "Yes", how?

.....
.....
.....

3. PROPOSED TEMPORARY STREET CLOSURE(S)

3.1 Please state the names and lengths of roads to be closed

"EXAMPLE:

Road(s) to be closed

i. *Crabtree Lane*

Length of Road (from junction to junction)

From its junction with Willow Road to its junction with Broad Street"

Road(s) to be closed

Length of Road (from junction to junction)

i.

.....

ii.

.....

iii.

.....

3.1 Continued...

<u>Road(s) to be closed</u>	<u>Length of Road (from junction to junction)</u>
iv.
v.
vi.
vii.
viii.
ix.
x.

Continue on a separate blank sheet if required.

Please enclose a map of the route showing the roads which need to be closed

3.2 Alternative Route (if road(s) are likely to be closed for more than 30 minutes)
.....
.....
.....
.....

3.3 Will the proposed event be *static* (e.g. a carnival) or a *moving procession* (e.g. a fun run/road race or procession)

Static **Moving procession** (please tick appropriate box)

Please remember that if a piece of land is to be used for a static event, or the use of a private road is required for a moving procession, organisers MUST seek permission from the landowner

3.4 Will the Police be present at the event? **Yes / No / Unsure**
If "Yes", please give the name of the Police Officer who agreed.....

The expectation of any applicant must be that police officers will NOT be available to police any aspect of the Street Closure.

Please ensure you enclose a copy of your risk assessment in respect of the proposed street closure(s)

4. OTHER

- 4.1 Will money be collected for charitable purposes? **Yes / No**
4.2 Will there be any public entertainment (e.g. live music?) **Yes / No**

If you have any other requests which relate to the proposed event please send your written request directly to the relevant officer or send it with this application form and it will be referred to the appropriate department/officer for processing.

5. I HEREBY CONFIRM THAT:

- 5.1 The application is made on behalf of
("Event Organiser(s)")
- 5.2 The information provided in support of this application is complete and true
- 5.3 The Event Organiser accepts **all** the responsibilities outlined in the document entitled "Information on Street Closures"
- 5.4 The Event Organiser accepts that Bromsgrove District Council is not responsible for what happens at the event or the way in which the closure is implemented (if approved)
- 5.5 I understand that incomplete applications will NOT be accepted and will be returned (please see the checklist below)

SIGNED.....DATE.....

CHECKLIST:

- **Have you answered all the questions applicable?**
- **Have you included ALL the roads which will need to be closed in Q3?**
- **Have you remembered to enclose a map showing the proposed event route?**
- **Have you remembered to enclose a copy of your risk assessment?**

Please give allow a **minimum of 2 months** processing time and return to:

Ms. D. McCarthy
Legal and Democratic Services
Bromsgrove District Council
The Council House
Burcot Lane
Bromsgrove
Worcs. B60 1AA

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

1ST NOVEMBER 2006

CLIMATE CHANGE

Responsible Portfolio Holder	Councillor Mrs J Dyer
Responsible Head of Service	Dave Hammond – Head of Planning and Environment

1. SUMMARY

1.1 The focus of this report is to raise the issue of climate change within the Council and to recommend that we have a commitment towards this area of work. It is suggested that the issues of climate change will not be properly tackled without a truly integrated approach, and that becoming a signatory of the Worcestershire Climate Change Pledge and the Nottingham Declaration will help us to meet this end.

2. RECOMMENDATION

2.1. That the Council become a signatory to the Worcestershire Climate Change Pledge.

2.2. That the Council become a signatory to the Nottingham Declaration.

3. BACKGROUND

3.1 Climate change or global warming is already having real impacts in areas of Worcestershire. Over the last 100 years, the growing season in the County has increased by 30 days and over the last 10 years there has been increasing instances of droughts, storms and floods causing many disruptions.

3.2 The climate change expected in the next 30-40 years will be due to past greenhouse gas emissions. Climate change later this century will be determined by the emissions that are allowed now. We need to adapt our way of life so that we can prepare for the changes that are already in the climate system, as well as limiting our future greenhouse gas emissions.

3.3 Bromsgrove District Council is a member of the Worcestershire Climate Change Group (as set up by the Worcestershire Partnership Environmental Group). The Group has been working towards a strategy and action plan to deliver the commitment of tackling the causes and effects of climate change. The draft strategy covers the period 2005-2011,

and sets out a framework which members of the Worcestershire Partnership can follow to implement the following changes:-

1. Raise awareness of the issues of climate change and its impact on the County.
 2. Reduce climate change causing gas emissions across the county by a minimum of 10% from 2005 levels by 2011 and 20% by 2020.
 3. Adapt to and plan for the inevitable impacts of climate change on the County.
- 3.4 The Worcestershire Partnership Board endorsed the Worcestershire Climate Change Pledge in April 2005. The Pledge sets out 11 points which the authority can identify as being already achieved or use as a target to aim towards. Becoming a signatory of the Pledge is a way in which Partners can show their commitment towards meeting the above targets by working to combat climate change at a local level, and the majority of Partners have already signed up.
- 3.5 The Nottingham Declaration represents a broad statement of commitment to tackle the issues of climate change and work with local stakeholders to address its causes and effects. The declaration includes a commitment to work with the local community to develop a local Climate Change Strategy and encourage other local organisations to reduce their own impacts upon climate change. Over 140 councils have already signed up to the Nottingham Declaration.
- 3.6 In becoming signatories of the Worcestershire Climate Change Pledge and the Nottingham Declaration, Bromsgrove Council are committing to combating the affects of climate change and are joining other authorities in taking a stand against it. The commitments will result in the authority itself looking to reduce its own emissions of greenhouse gases, and working with and encouraging local stakeholders to follow suit. The Council will also need to understand how its services and communities will be affected by changes to the climate and start to adapt practices in order to best cope with change and to take advantages of any opportunities that climate change will offer.
- 3.7 Many of the topics covered by the Climate Change Pledge and the Nottingham Declaration may already be covered or be supported by other areas of work within the Council. Street Scene and Waste Management, Culture and Community Services and Planning and Environment will have projects that will directly or indirectly be able to implement factors that will have a positive impact on climate change.
- 3.8 Bromsgrove District Council has an obligation to reduce its demand on non renewable energy resources and promote this to its residents as per the Environmental Policy and the Local Agenda 21 Plan.
- 3.9 Under the Home Energy Conservation Act (HECA) 1995, Bromsgrove District Council must prepare, publish and submit to the Secretary of State

- an annual energy conservation report identifying practicable and cost-effective measures to significantly improve the energy efficiency of all residential accommodation in their area; and to report on progress made in implementing the measures. By signing up to the Worcestershire Climate Change Pledge and the Nottinghamshire Declaration, the Council will be affirming its dedication to HECA and demonstrate a proactive nature to this area of work.
- 3.10 Other areas are already in the process of tackling energy demand and the impact this has on the Council and the surrounding environment. The Local Air Quality Strategy also deals with issues in common with climate change as does the Staff Travel Plan currently under development. Having a firm commitment to climate change reduction, such initiatives will have a common ground on which to be based and therefore will be more coherent and practical to deliver on the ground.
- 3.11 The Improvement and Development Agency (I&DeA) offer guides specifically for councils to advise on areas where change can be implemented for results in areas covering mitigation, adaptation, responding to climate change and monitoring and measuring consumptions and emissions.
- 3.12 In signing to the above mentioned actions, the Council will have a structure around which to base its future work. By improving energy efficiency, reducing travel and introducing local renewable energy projects, the Council will not only contribute to a reduction to the rate of climate change but will also benefit from financial savings, improvement in local air quality, improvement in local health concerns, creation of local jobs and economic growth. By publicly making the commitments and by making climate change measures integral to the Councils work, a real difference will be made.
- 3.13 A suggested tool to work towards the actions set out by the Worcestershire Climate Change Pledge would be for the Council to aim for an environmental standard such as ISO 14001. And it is hoped that something on this scale would be considered in the future to really show a commitment.

4. FINANCIAL IMPLICATIONS

- 4.1 Signing up to the Worcestershire Climate Change Pledge and the Nottingham Declaration will not necessarily commit any financial burden on the Council.
- 4.2 There are no hard and fast measures that must be implemented when signing up to the 2 commitments. All actions taken would be down to the choice of the Council and there are low cost and no cost measures that will be able to produce the required results in many instances; for example purchasing green energy, enforcing a strict lights out / computers off policy

out of working hours, working with schools to educate on energy and climate change issues etc.

- 4.3 Monetary commitments to negate the effects of climate change are often able to be funded via government grant schemes or community grants and Officers will seek these sources should any funding be required. (The recent solar panel installation and the Clear Skies Grant are an example of this in practice.)
- 4.4 It is often the case that where there is a cost incurred to support climate change measures, there will be higher payback in the long term. For example, an installation to be connected to a renewable energy source may attract an initial procurement fee; however, running costs post installation will ensure a speedy payback period.

5. LEGAL IMPLICATIONS

- 5.1 None.

6. CORPORATE OBJECTIVES

- 6.1 The pursuit of climate change will contribute towards the achievement of the District Councils objectives of making the district cleaner and supports partnership working.

7. RISK MANAGEMENT

- 7.1 The risks associated with this report could be significant. Global warming is one of the most important challenges facing the planet. Furthermore, recent reports by the Energy Saving Trust indicated that the UK was most wasteful user of energy in Europe. Therefore, any actions that contribute to the reduction of greenhouse gases and to energy efficiency are important to mitigating enormous risks. The work on climate change and monitoring our energy efficiency may contribute to reducing the Council's energy bills. In not signing the declaration and the climate change pledge will make us the only district council in Worcestershire not a signatory. This may adversely affect our reputation.

8. CUSTOMER IMPLICATIONS

- 8.1 This indicates to the customers we want to use resources effectively and efficiently. It also demonstrates our concern about global resources and the future of the community in which they live.

9. OTHER IMPLICATIONS

Procurement Issues – No immediate implication, but there may be future implications regarding resources purchased and the form they take with reference to recycled products etc.
Personnel Implications - None
Governance/Performance Management - None
Community Safety including Section 17 of Crime and Disorder Act 1998 - None
Policy – Contributes to the pursuit of Council priorities and values. Certain aspects of future policy development may require the Council to take account of energy efficiency and use of resources
Environmental – Major implications for the environment in that the focus of this report is on how the Council impacts on the environment and uses its resources and plans its services to support environmental protection and improvement.
Equalities and Diversity – Need to understand that some elements of the community have different impacts on the environment either through carbon emissions or inefficient use of fuel due to quality of housing or life issues.

10. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Acting Chief Executive	No
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	No
Head of Legal & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	No

11. APPENDICES

No appendices

12. BACKGROUND PAPERS

Worcestershire Climate Change Pledge.
Nottingham Declaration.

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BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

DATE 1st NOVEMBER 2006

Suspension of Green Waste Collection Scheme

Responsible Portfolio Holder	Councillor M Sherrey
Responsible Head of Service	Michael Bell

1. Summary

1.1 This report seeks Members approval to suspend the green waste collection service from 1st January **2007** until 31st March **2007** a period of **3** months and in future years to suspend the service from 1st December through to 31st March a period of 4 months.

2. Recommendation

2.1 It recommended that:

1. The collection of green waste is suspended for the period of 1st January **2007** until 31st March **2007**.
2. That in future years the green waste collection service is suspended from the end of November until the end of March. Precise finish and commencement dates will depend upon the service ending on a Friday and commencing on a Tuesday.

3. Background

3.1 Two years ago the Council introduced a green waste collection service to most properties in the District which alternated with the residual waste collection service. The service operates throughout the year but with a break last year over the Christmas period when it was considered that residents would appreciate a more frequent residual collection instead of the green waste collection.

3.2 The service has been and continues to be very popular with many plaudits received for the service. It has also contributed to the Councils Performance Indicator for collection of compostable waste and together with our other recycling services placed this Authority within the top **10** recycling Council's in the Country.

- 3.3 However for the past 2 years during the period of January, February and March the tonnage of garden waste collected has reduced considerably as residents cease gardening during the winter months. Figures show that during these months the daily tonnage of waste collected falls to less than a third of what would be expected at other times of the year.
- 3.4 The intention of the service was to prevent waste going to **landfill** sites. However it is necessary to consider the overall environmental impact of the service. During this period, vehicles still have to visit every property and to empty every bin that is placed at the kerbside. They therefore use as much fuel to collect small quantities of garden waste as they would if all bins were full.
- 3.5 The environmental benefit of recycling the waste is therefore outweighed by the environmental impact of the collection during this period.
- 3.6 Research with neighbouring Authorities has confirmed that those that operate similar garden waste collection schemes suspend the scheme during the winter months for the same environmental reasons.
- 3.7 By suspending the service during the winter months, some of the vehicles used for the collection would be de-commissioned and the operatives relocated to other work areas.
- 3.8 The residual waste collection service would continue to operate on an alternative week basis as would the existing dry recycling collection service.
- 3.9 At this time of the year the department is preparing leaflets for delivery to all households detailing collection arrangements over the Christmas period and calendars for collections for next year. We can therefore easily modify the leaflets to take this proposed change into account. But we need to prepare the leaflets within the next 2 weeks for delivery during November.

4. Legal Implications

- 4.1 There are no specific legal implications arising from this report.

5. Corporate Objectives

- 5.1 To provide an effective, efficient and environmentally sound service.

6. Risk Management

- 6.1 The changes need to be carefully publicised and communicated to residents, through press release and leaflet drops.

7. **Customer Implications**

7.1 There will be a reduction in the level of service provided for environmental benefits.

8. **Other Implications**

Procurement Issues:	None
Personnel Implications:	Being discussed with HR & OD
Governance/Performance Management:	None
Community Safety including Section 17 of Crime and Disorder Act 1998:	None
Policy:	None
Environmental:	See Report Section 3.4 and 3.5
Equalities and Diversity:	None

9. **Others Consulted on Report.**

Please include the following table and indicate 'Yes' or 'No' as appropriate. Delete the words in italics.

Portfolio Holder	Yes
Acting Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service <i>(i.e. your own HoS)</i>	Yes
Head of Financial Services <i>(must approve Financial Implications before report submitted to Leader's Group)</i>	Yes
Head of Legal & Democratic Services <i>(for approval of any significant Legal Implications)</i>	Yes

Head of Organisational Development & HR <i>(for approval of any significant HR Implications)</i>	Yes
Corporate Procurement Team <i>(for approval of any procurement implications)</i>	No

10. Appendices

None

11. Background Papers

None

Contact officer

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