

SCRUTINY COORDINATING COMMITTEE AGENDA



Friday 18th March 2011

at 10.00 am

**in the Council Chamber,
Civic Centre, Hartlepool**

MEMBERS: SCRUTINY COORDINATING COMMITTEE:

Councillors C Akers-Belcher, S Akers-Belcher, Cook, Cranney, Flintoff, Griffin, James, London, A Marshall, McKenna, Preece, Richardson, Shaw, Simmons, Thomas and Wells.

Resident Representatives: Evelyn Leck, Linda Shields and Angie Wilcox

- 1. APOLOGIES FOR ABSENCE**
- 2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
- 3. MINUTES**
No items.
- 4. RESPONSES FROM THE COUNCIL, THE EXECUTIVE OR COMMITTEES OF THE COUNCIL TO REPORTS OF THE SCRUTINY COORDINATING COMMITTEE**
No items.
- 5. CONSIDERATION OF REQUEST FOR SCRUTINY REVIEWS FROM COUNCIL, EXECUTIVE MEMBERS AND NON EXECUTIVE MEMBERS**
No items.
- 6. FORWARD PLAN**
No items.

7. CONSIDERATION OF PROGRESS REPORTS / BUDGET AND POLICY FRAMEWORK DOCUMENTS

No Items.

8. CONSIDERATION OF FINANCIAL MONITORING/CORPORATE REPORTS

No Items.

9. ITEMS FOR DISCUSSION

Cabinet Referral - Business Transformation Programme II – Proposals for the Revenues and Benefits Service

9.1 Evidence from the Portfolio Holder for Performance:-

- (a) Covering Report – *Scrutiny Manager*; and
- (b) Verbal evidence from the Portfolio Holder for Performance.

9.2 Cabinet Referral – Business Transformation Programme II - Proposals for the Revenues and Benefits Service – Covering Report – *Scrutiny Manager*

10. CALL-IN REQUESTS

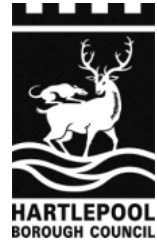
11. ANY OTHER ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT

ITEMS FOR INFORMATION

- i) **Date of Next Meeting: -**
Friday 25 March 2011, commencing at 9.00 a.m. in The Council Chamber, Civic Centre, Hartlepool.

SCRUTINY CO-ORDINATING COMMITTEE

18 March 2011



Report of: Scrutiny Manager

Subject: CABINET REFERRAL - BUSINESS
TRANSFORMATION PROGRAMME II -
PROPOSALS FOR THE REVENUES AND
BENEFITS SERVICE – EVIDENCE FROM THE
PORTFOLIO HOLDER FOR PERFORMANCE -
COVERING REPORT

1. PURPOSE OF REPORT

- 1.1 To inform Members that, in accordance with the wishes of the Committee, an invitation has been accepted by the Portfolio Holder for Performance to attend today's meeting to provide input / evidence regarding the Cabinet referral in relation to proposals for the revenues and benefits service suggested as part of the Business Transformation Programme II.

2. BACKGROUND INFORMATION

- 2.1 Members will recall that at the meeting of this Committee on 25 February 2011, the timetable, terms of reference and potential areas of inquiry / sources of evidence were approved by the Committee for consideration of the referral. Consequently, the Portfolio Holder for Performance will be in attendance at today's meeting to contribute to discussions in relation to the referral.

3. RECOMMENDATION

- 3.1 That Members of the Committee consider the input of the Portfolio Holder for Performance.

Contact Officer:- Joan Stevens – Scrutiny Manager
Chief Executive's Department - Corporate Strategy
Hartlepool Borough Council
Tel: 01429 284142
Email: joan.stevens@hartlepool.gov.uk

BACKGROUND PAPERS

The following background paper was used in preparation of this report:-

- (i) Scrutiny Co-ordinating Committee – 25 February 2011 - Report by Scrutiny Manager entitled 'Referral from Cabinet – Strategy for Bridging the Budget Deficit 2012/13 – Business Transformation Programme II'
- (ii) Cabinet 24 January 2011 - Report by the Chief Executive entitled 'Strategy for Bridging the Budget Deficit 2012/13 (Initial Report) – Business Transformation Programme II';
- (iii) Cabinet 7 February 2011 - Report by the Chief Executive Entitled 'Strategy for Bridging the Budget Deficit 2012/13 – Business Transformation Programme II (Follow Up Report)';
- (iv) Cabinet 7 February 2011 - Report by the Assistant Chief Finance and Customer Services Officer entitled 'Business Transformation - Revenues and Benefits Service Delivery Option Report'; and
- (v) Cabinet Minutes for the 24 January 2001 and 7 February 2011.

SCRUTINY CO-ORDINATING COMMITTEE

18 March 2011



Report of: Chief Customer and Workforce Services Officer

Subject: CABINET REFERRAL - BUSINESS
TRANSFORMATION PROGRAMME II –
PROPOSALS FOR THE REVENUES AND
BENEFITS SERVICE - COVERING REPORT

1. PURPOSE OF THE REPORT

- 1.1 To enable the Committee to consider the referral from Cabinet in relation to proposals for the provision of the Revenues and Benefits Service, as part of the second phase of the Business Transformation Programme.

2. BACKGROUND TO THE REFERRAL

- 2.1 The Scrutiny Co-ordinating Committee at its meeting on the 25 February 2011 received a referral from Cabinet requesting Scrutiny's views on proposals in relation to the provision of the Revenues and Benefits Service. In accordance with the Authority's Constitution, consideration of this referral from Cabinet was mandatory within the timescale prescribed.

- 2.2 A summary of the process leading to the referral is as follows:-

i) 24 January 2011 – Cabinet Meeting

- 2.2.1 Cabinet received a report in relation to the development of a proposed strategy for addressing the budget deficit from 2012/13 onwards, building on and continuing the Business Transformation programme in a revised structure. A copy of the report considered by Cabinet, and the relevant minute extract, is attached at **Appendices A and B** respectively.

- 2.2.2 Taking in to consideration the report provided, and the views expressed by Scrutiny during the Revenues & Benefits Service Delivery Review, Cabinet agreed that '*consideration of the proposed procurement exercise for ICT and Revenues and Benefits Services should be deferred to a future meeting of Cabinet, to enable further exploration of potential alternative delivery models for the Revenues and Benefits Service*'.

ii) 7 February 2011 – Cabinet Meeting

- 2.2.3 Cabinet received a further report containing additional information in relation to the delivery of ICT and Revenues and Benefits services, including the potential benefits and risks of a number of options for the delivery of the services.
- 2.2.4 With the assistance of this report (a copy of which is attached at **Appendix C**), Cabinet considered again approval of a procurement exercise for ICT and Revenues and Benefits services, using the OGC Buying Solutions Framework. Cabinet were unable to make a decision at that time and agreed that *‘Proposals in relation to the provision of the Revenues and Benefits Service should be referred to Scrutiny for consideration’*. A copy of the relevant minute (number 169) is attached at **Appendix D**.
- 2.2.5 In relation to the ICT proposals, it was noted that these savings would only materialise for the 2012/13 budget if work could commence straight away and that any delay would jeopardise the proposed savings for next year.

3. PROCESS FOR CONSIDERATION OF THE REFERRAL

- 3.1 The Scrutiny Co-ordinating Committee, at its meeting on the 25 February 2011, agreed the Timetable, Terms of Reference and Potential Areas of Inquiry / Sources of Evidence for consideration of the referral.
- 3.2 Timetable – Given the tight timescale for consideration of the referral, and the timing of the last meeting of Cabinet in March (21 March), approval had been obtained from the Mayor for the submission of the Scrutiny Co-ordinating Committee’s response to the Cabinet meeting on the 4 April 2011. On this basis, time will only allow for one evidence gathering session (i.e. today’s meeting).
- 3.3 Terms of Reference – Agreed by the Committee as follows:-
- (a) To gain an understanding of the proposals presented to Cabinet on the 7 February 2011 in relation to the provision of the Revenues and Benefits Service;
 - (b) To explore and gain an understanding of the core activities / functions of the Revenues and Benefits Service;
 - (c) To explore the proposed options (including the potential benefits and risks) and formulate a view in relation to each for inclusion in the response back to Cabinet;
 - (d) To explore / suggest any additional options for the provision of the Revenues and Benefits Service, outside those already identified; and
 - (e) To seek views on the potential proposals from relevant interested bodies (i.e. Trade Union(s)).

- 3.4 Additional Information / Evidence – A variety of additional pieces of information / evidence were requested to assist the Committee in its consideration of the referral. Details of this information / evidence are outlined in Section 4.2 below.

4. EVIDENCE / INFORMATION FOR CONSIDERATION BY MEMBERS

- 4.1 In order to assist the Committee in its exploration of the agreed ‘terms of reference’ for the referral, the following evidence / information has been provided for Members consideration.

(a) To gain an understanding of the proposal / options presented to Cabinet on the 7 February 2011 in relation to the provision of the Revenues and Benefits Service:-

Details of the proposals / options presented to Cabinet on the 7 February are outlined within **Appendix C** (Sections 4.0 to 6.4).

(b) To explore and gain an understanding of the core activities / functions of the Revenues and Benefits Service:-

Details of the core activities and functions of the Revenues and Benefits Service are outlined in **Appendix E**.

(c) To explore the proposed options (including the potential benefits and risks) and formulate a view in relation to each for inclusion in the response back to Cabinet:-

The options identified are as follows. Details of each of these options, including the potential benefits and risks of each, are outlined within **Appendix C** (Sections 5.0 to 5.5.3):

- Retention of Current Arrangements;
- Creation of Shared Service model with another Local Authority;
- Creation of shared service approach via a Regional Business Centre model with a Private Sector partner; and
- Creation of a Joint Venture vehicle.

Member's views are sought in relation to each of the options for inclusion in the report back to Cabinet.

(d) To explore / suggest any additional options for the provision of the Revenues and Benefits Service, outside those already identified:-

Members are asked to consider the identification of additional / alternative options for the provision of the Revenues and Benefits Service for inclusion in the report back to Cabinet.

(e) To seek views on the potential proposals from relevant interested bodies (i.e. Trade Union(s)).

An invitation has been extended to the Trade Union to participate in discussions at today's meetings (subject to availability).

4.2 The Committee, during its 'scoping' of the referral, requested the following additional information. In accordance with Members wishes, this additional information is provided at **Appendix E:-**

- i) DWP Grant allocation for 2011/12 divided between core funding for the administration of HB/CTB and additional grant to meet the increase in claims due to recession. Revenues and Benefits budget to include any payments from Darlington Council in respect of outsourced bailiff functions plus income from any other sources;
- ii) Financial allocation of the Revenues and Benefits budget confirming how much of grant allocation transfers into the Contact Centre to cover transfer of Benefits staff and management (to include any vacant posts). Budget allocation to give precise breakdown of Revenues and Benefits projected expenditure for all elements i.e. staff costs, IT, training, overtime, conferences, fraud, etc;
- iii) Up to date staff structure itemising roles and responsibilities of all Revenues and Benefits staff below Chief Customer and Workforce Services Officer. Information to include job descriptions, itemised statutory functions and additional duties outside those required within the regulations. Separate data for service areas of Revenues, Benefits and Fraud;
- iv) Benchmarking data covering staff, performance, cost per claim for both similar sized authorities and those within the Tees Valley. Data to identify those who have an in-house service opposed to [partnership or external providers];
- v) Copies of business case to demonstrate quality of service i.e. IRRV benefit team of the year plus copies of subsequent winners submissions detailing if internal or external providers;
- vi) Current data on income generated from admin penalties through the fraud function and current statutory obligations to continue with complement of Fraud function, which we provide;
- vii) Information in relation to national issues / legislation:
 - What is happening / will happen nationally (split on a Revenues / Benefits / Fraud basis);
 - The implications / consequences (including revenue implications) of dealing with nationally driven change (again split on a Revenues / Benefits / Fraud basis); and

- How the proposal put forward seeks to address / mitigate / deal with some element of the implications / consequences identified.

viii) The Committee felt that there was a strong link between the delivery of the Revenues and Benefits Service and Northgate. It was agreed that the Revenues and Benefits Service could not be looked at in isolation. On this basis, the following information was sought:

- How could the Revenues and Benefits Service be outsourced when the Council is tied into an arrangement with Northgate;
- If the service was retained 'in-house' what would be the impact on the service when the current ICT contract comes up for renewal in 12/18 months;
- Benchmarking / performance information in relation to Northgate where they are providing Revenues and Benefits Service in other Local Authorities;
- Details of Revenues and Benefits Service performance in the last Comprehensive Area Assessment; and
- Given that there are other companies available through OJC Solutions, provide similar comparative data in relation to other providers of Revenues and Benefits Service ICT services.

Details of comparative information in relation to Northgate, and other ICT companies that provide Revenues and Benefits Services, are contained within **Appendix E (Part 1)**. Given the potential for the use of this information as part of any future tendering exercise, please note that this appendix is confidential. Appendix F to the report also contains exempt information. Both appendices are considered exempt on the basis that they **contain exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely, Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para. 3).**

- ix) Information in relation to the potential for a partnering / joint venture arrangement with other Local Authorities, including details of drivers (i.e. financial situation, scale of savings that need to be identified, and joint venture timescales as they tie in to the timescale for the delivery of savings).

5. CONCLUSION

- 5.1 Members are asked to note to report and, utilising the information provided:-

- i) Formulate a view in relation to the options for the provision of the Revenues and Benefits Service (including the potential benefits and risks) and formulate a view in relation to each for inclusion in the response back to Cabinet;
- ii) Explore, and express a view in relation to, the proposal that a procurement exercise be undertaken using the OGC Buying Solutions Framework for Revenues and Benefits Services; and
- iii) Explore / suggest any additional options for the provision of the Revenues and Benefits Service, outside those already identified.

6. RECOMMENDATIONS

6.1 That Members:-

- i) Note the content of this report and additional information provided at Appendix E; and
- ii) Formulate a view on the proposals in relation to the provision of the Revenues and Benefits Service for inclusion in the response to the referral.

Contact Officer:- Joan Stevens – Scrutiny Manager
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Hartlepool Borough Council
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Email: joan.stevens@hartlepool.gov.uk

BACKGROUND PAPERS

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- (i) Scrutiny Co-ordinating Committee – 25 February 2011 - Report by Scrutiny Manager entitled 'Referral from Cabinet – Strategy for Bridging the Budget Deficit 2012/13 – Business Transformation Programme II'
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- (iv) Cabinet 7 February 2011 - Report by the Assistant Chief Finance and Customer Services Officer entitled 'Business Transformation - Revenues and Benefits Service Delivery Option Report'; and
- (v) Cabinet Minutes for the 24 January 2001 and 7 February 2011.

CABINET REPORT

24 January 2011



Report of: Chief Executive

Subject: STRATEGY FOR BRIDGING THE BUDGET DEFICIT
2012/13 (Initial Report) – Business Transformation
Programme II

SUMMARY

1. PURPOSE OF REPORT

The purpose of this report is to outline the proposed strategy for addressing the budget deficit from 2012/13 onwards building on and continuing the Business Transformation programme in a revised structure. The Council has recently received a two year spending settlement and on this basis it is advisable, as in previous years to consider appropriate strategies and plans to mitigate the impact.

2. BACKGROUND

The need to revisit and renew the current Business Transformation (BT) programme in the light of the current financial circumstances facing the council is important to ensure that the authority has in place a plan for bridging the projected deficits.

A deliverable strategy is needed which builds upon the successes and robustness of the BT programme but which considers and takes account of the decisions which have had to be made in establishing the budget for 2011/12 and the increasingly austere financial position. This report begins to address these requirements with a renewed Business Transformation Programme, including some elements from the previous programme and some additional elements to meet the budget requirements.

2. SUMMARY OF CONTENTS

A fundamental consideration for the authority is the extent to which we balance the following against a strategy which would essentially be focussed on a series of unplanned cuts. The proposals are based on :

- the continuation of a programme of review and change which encapsulates the Business Transformation SDOs with a series of

planned reductions (primarily focussing on none statutory services and functions)

- a series of projects which enable the authority to either take opportunities which can potentially deliver significant savings (whilst protecting front line services) or provide for greater service resilience
- looking longer term and considering options for the medium term

The recently announced budget settlement provides the opportunity to clarify the financial position facing the authority over the next couple of years.

There are a range of factors which have either been announced, are understood to be in development or have been suggested in respect of emerging government policy and the role, remit and operation of local councils (and partner agencies). Whilst many of them are not clear in terms of the extent of their impact the fact remains that there has been a fundamental shift in the strategic context within which local authorities will be required to operate including the Decentralisation and Localism Bill and a range of other bills and proposals which will ultimately affect the operation of the Council and potentially the services delivered and to whom. In addition to that identified above there is also the Welfare Reform Bill and the Academies Bill which potentially bring significant changes to the benefits and education systems. This is by no means an exhaustive list, they are examples of the scale and nature of change which is being driven by legislation.

In addition to legislative changes there are a range of proposals being highlighted which may become driven by legislation, may potentially drive funding allocations or be driven by other factors. It is difficult to predict with absolute accuracy what may be encompassed in any such changes but on the balance of probabilities there are a range of issues which are liable to receive significant impetus, though the exact nature of this is still unclear.

In relation to the management of local authorities the Secretary of State has focussed particularly on questioning current management structures and there is almost certainly going to be a significant push for the greater involvement of the private sector in the delivery of local services.

The proposed programme for addressing the budget deficit is based on a combination of:

- Efficiencies identifiable through reviews of provision which are essentially those elements of services not yet considered as part of BT
- Consideration of those areas of service where there is potential for further planned reduction in provision or where there are options around reconfiguration or consideration of eligibility etc
- An identified framework of projects which are either capable of delivering significant savings or providing enhanced capacity to maintain services
- Identifying opportunities for increased income either through trading, fees and charges or alternative means

The aim through this is to have a planned and phased approach to delivering on the required savings levels, building on the successes to date in respect of the current Business Transformation Programme and ensuring that through a consolidated approach that provides for the management of the identified deficit through a new agreed Business Transformation Programme.

There are a number of immediate considerations within the programme that have been identified as a result of the scale and nature of the overall savings required and which provide potential opportunities to deliver significant savings and these cover Joint Working Arrangements and ICT and related services and are covered in more detail in the body of the report.

It is important, if the risks associated with any such programme are to be minimised, and the contribution to the MTFs maximised, that there is both a clear programme and that the financial assumptions underpinning it are suitably robust, this has been successfully achieved to date and it is intended to continue this through the renewed BT programme.

The outline programme has been determined based on a number of assumptions at this stage all of which can be easily updated following any key decisions and there are a range of risks attributable to the development and delivery of such a programme. There are however considerably greater risks from not having in place such a programme. The nature of the financial challenge means that to risk not attempting to determine solutions to these issues will result in very significant and very disruptive changes at a very late stage. This is not something which would be recommended and is not something which Cabinet have been in favour of in the past.

The BT programme has been managed according to a predetermined workplan and targets for individual projects. Each element of the programme has been managed as a separate, though interlinked, project with clear governance arrangements and timescales for delivery.

It is proposed that this is continued and expanded (albeit on a slightly different programme outline). It is proposed that the areas for consideration outlined in sections 5.4.1 and 5.4.9 efficiencies and planned reductions of the main report are combined at a departmental level to provide departments with an overall savings target, and potential scope for review for the next 12 months. This gives the opportunity for consideration to be given, as part of an overall planned reduction, to a range of options and opportunities and as part of the revised Business Transformation Programme.

It will be necessary to determine a clear programme for delivery, reporting and decision making within this framework. To achieve this it is proposed that the current arrangements in respect of Programme Board and Cabinet are maintained to ensure that members are aware of proposals and developments and in a position to make informed decisions as part of a consolidated programme of activity.

There are no easy solutions to the problems which are facing the Council. We have been able in the past, through either a planned and structured programme (through Business Transformation) or through proposals for cutting services as seen through the most recent budgetary process, to provide significant contributions to the Medium Term Financial Strategy and to ultimately provide a balanced budget, though not without some considerable debate and concern regarding the decisions required.

The proposals to renew the Business Transformation programme identified in this report do need some further work to determine and account for any potential double counting and to ensure that we are in a position to manage and deliver it. The proposals for managing the programme are CMT's recommendations to Cabinet to enable those issues identified during the later part of last year regarding a degree of confusion between BT and budget savings to be addressed and to provide for both a degree of flexibility whilst ensuring that reporting and decision lines to Cabinet are clear.

3. RELEVANCE TO CABINET

The report encompasses considerations in respect of a potential strategy and programme for managing the identified budget deficit for 2012/13 and is therefore within the remit of Cabinet

4. TYPE OF DECISION

Non Key

5. DECISION MAKING ROUTE

Cabinet 24th January 2011

6. DECISION(S) REQUIRED

Cabinet are recommended to

- Agree to the priorities in the programme of work identified in the report and that they be delivered on a departmental basis
- Agree that the programme above to be considered by BT Board and for decision by Cabinet as part of a managed programme
- That a further more detailed report on potential savings from this programme is provided to Cabinet before the end of February 2011.
- That the identified projects, with others Cabinet may wish to identify, are further scoped and progressed as part of the managed programme
- Agree that a procurement exercise is commenced using the OGC Buying Solutions Framework for ICT and Revenues and Benefits services.
- Agree to the submission of a funding bid to RIEP for an assessment of the potential for joint working with other authorities

Report of: Chief Executive

Subject: STRATEGY FOR BRIDGING THE BUDGET DEFICIT
2012/13 (Initial Report) – Business Transformation
Programme II

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to outline the proposed strategy for addressing the budget deficit from 2012/13 onwards. The Council has recently received a two year spending settlement and on this basis it is advisable, as in previous years to consider appropriate strategies and plans to mitigate the impact.

2.0 BACKGROUND

- 2.1 The need to revisit and renew the current Business Transformation (BT) programme in the light of the current financial circumstances facing the council is important to ensure that the authority has in place a plan for bridging the projected deficits. The current BT programme has delivered £2.5m for the 2010/11 budget and is on schedule to deliver the increased target of £2.9m for the 2011/12 budget. However even with this contribution the authority still faces significant budget deficits in later years.
- 2.2 A deliverable strategy is needed which builds upon the successes and robustness of the BT programme but which considers and takes account of the decisions which have had to be made in establishing the budget for 2011/12 and the increasingly austere financial position.
- 2.3 At the Cabinet meeting on 28th June 2010 a report was considered which encompassed a range of questions which essentially related to the next steps for the future shape of the council. As part of this a number of questions were posed which have informed the budget strategy for developing the budget for 2011/12. The questions included the fundamental question of “can the authority continue to operate in its current manner” and underpinning this fundamental question were a range of others, including;
- Can services be maintained at their current level?
 - Can we continue to deliver all services ourselves or should we investigate other models of delivery?
 - Can we identify plans that will deliver the degree of savings needed?
 - Can we balance a desire to deliver high quality services with the savings needed?
 - Can/should we continue to deliver all the services we currently deliver or do we need to prioritise services?

- Can we charge for some services which are currently provided free, or increases existing charges?
- 2.4 As part of this series of questions a range of options were considered by Cabinet in respect of an emerging strategy which included;
- The provision and prioritisation of services
 - Commissioning of services (including from others in the public and private sectors, social enterprises)
 - Shared services or provision
 - Partnering
 - Alternative methods of delivering services
- 2.5 The strategy for the determination of the budget for 2011/12 has in part started to address this, in conjunction with the agreement to a number of recommendations from Service Delivery Options reports through BT including consideration of Trust arrangements for Leisure, Community Interest Companies (or similar models) for adult social care.
- 2.6 A fundamental consideration for the authority is the extent to which we balance the following against a strategy which would essentially be focussed on a series of unplanned cuts. The proposals are based on :
- the continuation of a programme of review and change which encapsulates the former Business Transformation SDOs with a series of planned reductions (focussing on non statutory services and functions)
 - a series of projects which enable the authority to either take opportunities which can potentially deliver significant savings (whilst protecting front line services) or provide for greater service resilience
 - looking longer term and considering options for the medium term

3.0 THE EVOLVING FINANCIAL SITUATION

- 3.1 The recently announced budget settlement provides the opportunity to clarify the financial position facing the authority over the next couple of years. Whilst the final details of any likely deficit are the subject of decisions on the budget for 2011/12 by Cabinet and Council, the current forecasts suggest that the budget deficit for 2012/13 will be between £7.5M and £10.4M. This is the headline deficit assuming that there are no savings factored in for Business Transformation or Council tax rises in these years.
- 3.2 It is the review of the BT programme and the alternative options which are recommended to be pursued that this report focuses on. This report considers the potential savings that may be achievable through a range of project areas (including what are essentially overhanging Business Transformation SDOs) in a consolidated programme of activity.
- 3.3 At either end of the scale the deficits faced are significant. This is particularly the case when they are considered in the light of the changes

and savings which have been made over the last few years and require a focussed and agreed approach. It is not felt possible to achieve these through one route alone and it is clear that there are some extremely difficult decisions to be made over the next two years.

4.0 EMERGING GOVERNMENT POLICY

- 4.1 There are a range of factors which have either been announced, are understood to be in development or have been suggested in respect of emerging government policy and the role, remit and operation of local councils (and partner agencies). Whilst many of them are not clear in terms of the extent of their impact, the fact remains that there has been a fundamental shift in the strategic context within which local authorities will be required to operate.
- 4.2 The Decentralisation and Localism Bill published in December 2010 has a number of significant proposed changes including issues such as powers for the Secretary of State to transfer to elected Mayors any function of any body, a General Power of Competence for local government, requirements for referenda on council tax rises above a predefined level, a requirement for councils to draw up and publish a list of assets of community value, a community “right to challenge”, powers for a range of bodies to develop Neighbourhood plans for planning purposes. This is not an exhaustive list and is designed to provide a flavour only of the changes.
- 4.3 There are a range of other bills and proposals which will ultimately affect the operation of the Council and potentially the services delivered and to whom. In addition to those identified above, there is also the Welfare Reform Bill and the Academies Bill which potentially bring significant changes to the benefits and education systems. This is by no means an exhaustive list, they are examples of the scale and nature of change which is being driven by legislation.
- 4.4 In addition to legislative changes there are a range of proposals being highlighted which may become driven by legislation, may potentially drive funding allocations or be driven by other factors. It is difficult to predict with absolute accuracy what may be encompassed in any such changes but on the balance of probabilities there are a range of issues which are liable to receive significant impetus, though the exact nature of this is still unclear.
 - 4.4.1 There have been repeated statements that local authorities can protect front line services by being “more efficient”. In determining this, the government have focussed on a number of areas; back office services, the role of chief executives, greater involvement of private sector. As has been stated they have not identified how, or if, they might mandate any of these.
 - 4.4.2 The assumption in relation to back offices services appears to be that they can be delivered more efficiently either by the private sector or by joining up provision across a number of authorities and that as they are not front line,

they should be minimised. Hartlepool has significantly reduced its back office functions over the last 2 years through the Business Transformation programme and through proposals for budget reductions for the 2011/12 budget and there is still some potential for greater efficiency in respect of some elements which is covered later in this report.

- 4.4.3 In relation to the management of local authorities, the Secretary of State has focussed particularly on questioning the need for Chief Executives. Taking a broader view on this and considering the developments put in place by a number of authorities there is the potential to consider a chief executive shared over two or more authorities. It is a potential extension of this, and in taking it to a logical, though potentially complex solution, that the development of joint management teams and commissioning arrangements could be feasible.
- 4.4.4 There is almost certainly going to be a significant push for the greater involvement of the private sector in the delivery of local services. It is currently unclear how this may be driven however there are a couple of options which may be considered. There is potential that a revised version of Compulsory Competitive Tendering (CCT) may be reintroduced although this is seen as unlikely or a model which may fund councils based on the percentage of work which is delivered by bodies other than the council itself. These are obviously only potential models but it is likely that in driving this forward that there will be a significant mandatory element to it.

5.0 PROPOSED PROGRAMME OUTLINE

- 5.1 The proposed programme for addressing the budget deficit is based on a combination of:
- Efficiencies identifiable through reviews of provision which are essentially those elements of services not already considered as part of BT
 - Consideration of those areas of service where there is potential for further planned reduction in provision or where there are options around reconfiguration or consideration of eligibility etc
 - An identified framework of projects which are either capable of delivering significant savings or providing enhanced capacity to maintain services
 - Identifying opportunities for increased income either through trading, fees and charges or alternative means
- 5.2 The aim through this is to have a planned and phased approach to delivering on the required savings levels, building on the successes to date in respect of the Business Transformation Programme and ensuring that through a consolidated approach that provides for the management of the identified deficit.
- 5.3 Essentially the proposed programme at this stage would consist of a number of related though not intrinsically linked elements which are essentially a revised and redefined Business Transformation Programme.

5.4 The programme is based on the following:

5.4.1 **Efficiencies**

5.4.2 As has been discussed the BT programme, and the SDO element of this in particular, has been successful in delivering a planned series of savings for the MTFS. The approach has provided a robustness which has enabled the consideration of service issues and an ability to manage risk in terms of their achievement for the MTFS.

5.4.3 The Programme was effective in the manner in which it was delivered but the recently announced grant settlements and the work required to address this additional deficit has resulted in a degree of confusion and overlapping between various proposals which does not help in ensuring a clear understanding of impact and any other considerations.

5.4.4 What is important in the context of the scale of cuts is that there is a clarity on our overall programme, a degree of flexibility in achieving these and an understanding of where savings will come from.

5.4.5 With this in mind it is proposed that, whilst not being undertaken as SDO's that reviews of services provision, to a defined scope, savings expectation and timetable are undertaken. These reviews will form part of the overall programme and it will be necessary, in undertaking them to ensure there is a degree of flexibility in achieving the targets.

5.4.6 In addition it is proposed that the elements of the Business Transformation programme which cover Assets, Transactional and Non Transactional service areas should also be continued with the originally established targets still in place (or rolled over if they are not achieved in 2010/11).

5.4.7 The proposed areas for consideration for this element of the strategy are attached as **Appendix 1**. It is the view of Corporate Management Team that this programme, which is essentially a revised year 3 SDO programme, should be continued but, as discussed in Section 7 at a Departmental level with those areas covered in Section 5.4.9 below.

5.4.8 Given current considerations of the budget it has not been possible at this stage to absolutely confirm potential savings "targets" as it is likely that given the scale of recent cuts a number of these will need to be revised to ensure they are achievable.

5.4.9 **Planned reductions**

5.4.10 There is some potential for further reduction across a range of services areas which will need to consider the extent to which already reduced services which are not statutory, or which have a degree of latitude in their provision. Further consideration can be given to the scale, manner and

nature of the delivery of these services and for assessment purposes these have been considered by Corporate Management Team and a range of the service areas to be considered.

5.4.11 Again given current considerations of the budget it has not been possible at this stage to absolutely confirm potential savings “targets” as it is likely that given the scale of recent cuts a number of these will need to be revised to ensure they are achievable.

5.4.12 **Projects**

5.4.13 There are a range of projects, outside the scope of those areas considered in 5.4.1 and 5.4.9 sections above which offer the option, either through changes to arrangements for this Council, through working in partnership with others or through the consideration of other alternative working arrangements, Trusts, Trading Companies etc, to either deliver savings or to provide capacity or robustness around continued service provision.

5.4.14 It is important to note that these identified project areas in themselves will be potentially very challenging in terms of the timescales for their delivery and the fact that they will, in most instances involve a change in how services are provided.

5.4.15 The proposed programme for this element of the strategy includes consideration of the following:

- Buildings
- Joint asset use
- ICT and related services
- Joint working with other authorities
- Streetscene
- Leisure Trust
- Museums Trust
- Adult Social Care Trading Company
- Procurement (NE and Tees Valley)
- Transport (NE and Tees Valley)
- Photo voltaic cells
- Asset Backed Vehicle

5.4.16 In considering each of these areas (either alone or jointly) it will be necessary to determine initial business cases and resources to enable these to be progressed and the most appropriate manner in which this can be undertaken.

5.4.17 There is currently consideration being given, through Tees Valley Chief Executives, to the options and potential which is available around the areas identified.

5.4.18 These projects are presented, for the purposes of this report as separate entities. There will be a separate report to Cabinet, linked to this, on the powers of the authority to trade and in implementation terms options for consolidating these will be reviewed.

5.4.19 Income Generation

5.4.20 The Council is currently working with the other 11 North East authorities on a collaborative project, funded by the RIEP, to identify for all local authorities any additional or new income generation opportunities. This work has been commissioned from Deloittes, by Newcastle City Council (who have agreed to take the lead on this project).

5.4.21 The project is designed to consider current and potential charging arrangements for services, fee levels and opportunities for income generation. This is due to report early this year and is included in this report as a further potential option for contributing to the budget deficit, although in terms of overall contribution it is not seen as significant in itself.

5.5 Immediate considerations

5.5.1 There are a number of immediate considerations within the programme that have been identified as a result of the scale and nature of the overall savings required and which provide potential opportunities to deliver significant savings.

5.5.2 Joint Working Arrangements

5.5.3 The concept of joint working between organisations is not a new one. The extent to which this joint working or shared provision between authorities has been a high priority is something which has changed significantly over the last 18 months. There are a range of examples of joint working in individual or grouped service areas and this authority has been involved in a number of these arrangements where we are either the lead organisation or where another authority takes this role.

5.5.4 The extent to which joint arrangements can be successful is based on a number of factors, they include, but not exclusively so the following;

- the need and desire of the respective organisations to be able to agree on what should be jointly delivered
- the extent to which provision can be specific at an agreed level
- considerations of control and accountability
- the financial, policy, service and political drivers to succeed.

5.5.5 Joint arrangements have previously focussed on joint provision of agreed services, normally with an identified lead agency delivering services to an agreed standard, scope and to a geographical area.

- 5.5.6 The emerging government policy, partially driven by the budget settlements, is that there will be an increased drive for this over the medium term. As has been identified in other sections of this report there is an increasing drive for shared Chief Executives and management teams, there have been some high profile and well publicised examples of authorities taking this a stage further and joining delivery and commissioning functions. It is important that the authority is in a position to understand the extent to which any such consideration is feasible and potentially deliverable if it were seen to be beneficial. With this in mind it is proposed to make use of available funding from The Regional Improvement and Efficiency Partnership (RIEP) to fund an initial assessment of the potential, opportunities and any other legal and financial considerations.
- 5.5.7 **ICT and related services**
- 5.5.8 The current ICT contract with Northgate is one of the largest single contracts the authority has in place. An extension to this agreement was negotiated in 2009 to take the current arrangements to November 2013. As part of this extension a number of benefits were negotiated for the authority which have been previously reported to Cabinet and which have been a positive benefit for the organisation.
- 5.5.9 It is however appropriate to consider, in the light of a range of potential changes, challenges and opportunities whether the authority should seek to maximise any benefits which could come from alternative arrangements.
- 5.5.10 At a regional level ICT procurement has been identified as one of the top 10 areas for consideration. There are currently disparate arrangements for the procurement of ICT services and hardware and this is a high spend area for most authorities and one in which, in the light of the financial challenges, most authorities are looking to reconsider.
- 5.5.11 Emerging government policy, covered in more detail in section 4 of this report, is strongly suggesting a number of potential approaches in respect of “back office” services (of which ICT is clearly one). These vary from an outsourced approach, to joining with other authorities through to authorities taken a more holistic approach to ICT and related services in order to derive benefits in terms of service delivery and the potential for this to enhance the regeneration offer in a locality.
- 5.5.12 The original ICT specification for the Council included as part of it the potential to extend the current arrangements from a purely managed service for ICT to include other service areas such as Revenues and Benefits and customer contact.
- 5.5.13 Research by the council has identified that there is a potential opportunity to reconsider the current ICT delivery arrangements and to broaden the service base included in any such process to include the revenues and benefits service. It is clear from a range of recent government announcements that

there are potentially significant changes to the benefits function. It also appears highly likely that any such changes will direct a much greater involvement of the private sector in their delivery and that local authorities, if this is the case, will potentially be excluded from such delivery with a major focus on the private sector.

- 5.5.14 There is the potential, through the consideration of ICT and Revenues and Benefits functions jointly (and as per the original options in the contract which was agreed with Northgate) that significant benefits may be realised in both costs terms and in respect of having in place a scalable solution for the provision of such services based in Hartlepool with the associated benefits which may be attributable to such an arrangement. It would be prudent and advisable to incorporate into any such arrangement a proviso which incorporates the potential for their to be evaluation criteria which incorporate this being a hub for future development and provision of services to other authorities to the benefit of the town.
- 5.5.15 With regard to these services there are a number of issues which support a competitive procurement of these element of Council activity:
- Preliminary market research indicates that significant savings for the Council can be achieved through pursuing, though a competitive arrangement, such a process particularly where this is done in such a way that it is integrated the complimentary IT infrastructure.
 - There is significant private sector experience in the delivery of these services on behalf of the public sector so the opportunity exists to benefit from tried and tested best practice established through multiple successful outsourced arrangements.
 - Proposed amendments to the national benefits system may result in significant changes to the scale and scope of the Revenues and Benefits services the Council currently provide. The ability to react flexibly to these changes will be important to the Council and this can be catered for in a well constructed contract.
 - It is also important to be in a position to effectively manage the risk of any change and the operational impact on the council and such a consideration manages this.
- 5.5.16 Although the proposal suggests the creation of an arrangement which will allow the Council to consider the inclusion of other services at some point in the future, as and when deemed appropriate, there is currently no suggestion that this approach be applied to services such as Human Resources, Finance, Legal Services. There may be different opportunities in relation to the delivery of these services, possibly through sharing services across the sub-region.
- 5.5.17 An assessment of the procurement options available has been considered in respect of the extent to which these routes provide for robustness, the ability and necessity to demonstrate Value for Money and their delivery of a legally secure arrangement.

- 5.5.18 As a result of this it is proposed that a procurement exercise is commenced using the OGC Buying Solutions Framework for ICT and Revenues and Benefits services which is a framework of providers pre qualified to meet procurement and service requirements.

6.0 FINANCIAL ASSUMPTIONS AND RISK

- 6.1 It is important, if the risks associated with any such programme are to be minimised, and the contribution to the MTFs maximised, that there is both a clear programme and that the financial assumptions underpinning it are suitably robust.
- 6.2 The programme has been determined based on a number of assumptions at this stage all of which can be easily updated following any key decisions.
- An assumed level of savings required as this will not be fully determined until Council determine the budget for 2011/12
 - An assumed savings target from the various elements of the programme based on a desire to reduce double counting of potential savings and /or a reduced ability to deliver savings dependant of decisions made in respect of the 2011/12 budget (removing the potential for multiple reductions in the same area)
 - A factoring down of savings where areas are counted more than once through the Efficiencies and Planned Reduction elements of the programme.
 - To provide for a robust programme capable of delivery there will be a revision of a number of the original SDO targets from the BT programme.
 - The savings attributable to the Projects element of the Programme are currently estimates and will require initial business cases prior to further development.
 - There is an assumed council tax rise of 2.5% (£1m) in 2012/13 and 3.9% (£1.6m) 2013/14. If this is not progressed any financial projections will need to be adjusted to account for this.
- 6.3 There are a range of risks attributable to the development and delivery of such a programme. There are however considerably greater risks from not having in place such a programme. The nature of the financial challenge means that to risk not attempting to determine solutions to these issues will result in very significant and very disruptive changes at a very late stage. This is not something which would be recommended and is not something which Cabinet have been in favour of in the past.
- 6.4 In simplistic terms the identified risks are as follows
- Capacity to deliver any programme of change

This has been flagged up in the consideration of previously developed programme. Whilst this risk has always been managed and the programmes have been delivered, or over delivered, the resources to manage and deliver this, whilst maintaining services, are an ever shrinking pool. It is likely that to pursue a number of the options identified in this report that external support and expertise will be required.

- Increasing difficulty and complexity

Whilst the scale of change we have been facing has never been easy to address it becomes increasingly difficult (and with this comes an increased level of risk) to deliver significant change and savings from an ever reducing budget.

- Evolving Government policy

Government policy is evolving at a significant pace. It is not currently clear how far this will go or how this will directly, or indirectly affect the role and function of local authorities, or the expectations placed upon them. It is however clear that there will be a period of continued and significant change and that the authority would be well placed to consider early the options which are available to be in a position to respond quickly. Recent White Papers and Bills have significantly changed these roles and functions. It is considered that these changes will continue.

- Future financial settlements

Whilst the authority has received a settlement which covers 2011/12 and 2012/13 there is no certainty beyond this period. The government have also announced their intention to review the Local Government Finance system with a view to any new system being in place for the following year. It is unclear what this may entail but it is a significant risk in the medium to long term.

7.0 MANAGING THE PROGRAMME

7.1.1 The BT programme has been managed according to a predetermined workplan and targets for individual projects. Each element of the programme has been managed as a separate, though interlinked, project with clear governance arrangements and timescales for delivery.

7.1.2 At the point at which the programme was determined it was devised to deliver the savings which were expected to be required to balance the budget. The changing financial climate and the additional levels of saving required has meant that the BT programme, for the last 6 months has been operating alongside a requirement to identify additional savings in order to ensure that the budget can be balanced. This has caused a degree of difficulty in being clear about changes which are being made, the savings which are to be delivered and the manner in which this can be managed.

- 7.1.3 It is proposed that the (areas for consideration outlined in sections 5.4.1 and 5.4.9 efficiencies and planned reductions) are combined at a departmental level to provide departments with an overall savings target, and potential scope for review for the next 12 months. This gives the opportunity for consideration to be given, as part of an overall planned reduction, to a range of options and opportunities.
- 7.1.4 It will be necessary to determine a clear programme for delivery, reporting and decision making within this framework. To achieve this it is proposed that the current arrangements in respect of Programme Board and Cabinet are maintained to ensure that members are aware of proposals and developments and in a position to make informed decisions as part of a consolidated programme of activity.

8.0 FINANCIAL SUMMARY

- 8.1 The elements which comprise the programme have been outlined in the main body of this report. Whilst the programme has been broken down into a number of elements the proposals for the management of this have been explained above
- 8.2 Whilst it is still necessary to undertake more detailed modelling of the potential of the identified elements of the programme (and this will be the subject of a separate report to Cabinet), initial assessments have identified the following potential.

	12/13 (£m)	12/13 (£m)	Report Section
Deficit	7.5	7.5	
Efficiencies	2.7	2.7	(5.4.1)
Planned Reductions	2.3	0.8	(5.4.9)
Projects	1.5	3.0	(5.4.12)
Council Tax	1.0	1.0	
	7.5m	7.5m	

- 8.3 The exact scale and nature of the programme offers some flexibility but the projections are based on best and worse case scenarios in each area.

9.0 CONCLUSION

- 9.1 There are no easy solutions to the problems which are facing the Council. We have been able in the past, through either a planned and structured programme (through Business Transformation) or through proposals for cutting services as seen through the most recent budgetary process, to provide significant contributions to the Medium Term Financial Strategy and to ultimately provide a balanced budget, though not without some considerable debate and concern regarding the decisions required.

- 9.2 The proposed programme identified in this report does need some further work to determine and account for any potential double counting and to ensure that we are in a position to manage and deliver it. The proposals for managing the programme are CMT's recommendations to Cabinet to enable those issues identified during the later part of the year regarding a degree of confusion between BT and budget savings to be addressed and to provide for both a degree of flexibility whilst ensuring that reporting and decision lines to Cabinet are clear.
- 9.3 It is worth reiterating that the scale of the deficit is significant, a minimum deficit in 2012/13 of £7.5m (with the maximum dependant on budget decisions for 2011/12 being £10.4m) and a minimum cumulative deficit over the period 2012/13 to 2014/15 being £14.55m. Such a deficit requires consideration of a range of radical and significant change.
- 9.4 The rationale for the management of the programme and the proposals for its delivery are based on a need to ensure that such decisions can be made in a timely and managed fashion. In many ways this requires consideration in advance of the normal budgetary timetable.

10.0 RECOMMENDATIONS

10.1.1 Cabinet are recommended to

- Agree to the priorities in the programme of work identified in the report and that they be delivered on a departmental basis
- Agree that the programme above to be considered by BT Board and for decision by Cabinet as part of a managed programme
- That a further more detailed report on potential savings from this programme is provided to Cabinet before the end of February 2011.
- That the identified projects, with others Cabinet may wish to identify, are further scoped and progressed as part of the managed programme
- Agree that a procurement exercise is commenced using the OGC Buying Solutions Framework for ICT and Revenues and Benefits services.
- Agree to the submission of a funding bid to RIEP for an assessment of the potential for joint working with other authorities

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CABINET

MINUTES AND DECISION RECORD

24 January 2011

The meeting commenced at 9.15 am in the Civic Centre, Hartlepool

Present:

The Mayor, Stuart Drummond - In the Chair

Councillors: Jonathan Brash (Performance Portfolio Holder)
Pam Hargreaves (Regeneration and Economic Development Portfolio Holder)
Gerard Hall (Adult and Public Health Services Portfolio Holder)
Cath Hill (Children's Services Portfolio Holder)
Hilary Thompson (Culture, Leisure and Tourism Portfolio Holder)

Also Present: Councillor Marjorie James, Chair of Scrutiny Co-ordinating Committee

Officers: Andrew Atkin, Assistant Chief Executive,
Alyson Caman, Legal Services Manager
Chris Little, Chief Finance Officer
Joanne Machers, Chief Customer and Workforce Services Officer
John Morton, Assistant Chief Finance and Customer Services Officer
Nicola Bailey, Director of Child and Adult Services
Alan Dobby, Assistant Director, Support Services
Damien Wilson, Assistant Director, Regeneration and Planning
Graham Frankland, Assistant Director, Resources
Alastair Rae, Public Relations Manager
Joan Stevens, Scrutiny Manager
Angela Hunter, Principal Democratic Services Officer

156. Strategy for Bridging the Budget Deficit 2012/13 (Initial Report) – Business Transformation Programme II (*Chief Executive*)

Type of decision

Non key.

Purpose of report

The purpose of this report was to outline the proposed strategy for addressing the budget deficit from 2012/13 onwards building on and

continuing the Business Transformation programme in a revised structure. The Council had recently received a two year spending settlement and on this basis it was advisable, as in previous years to consider appropriate strategies and plans to mitigate the impact.

Issue(s) for consideration by Cabinet

The Assistant Chief Executive presented a report which confirmed that a fundamental consideration for the authority was the extent to which we balance the following against a strategy which would essentially be focussed on a series of unplanned cuts. The proposals were based on:

- the continuation of a programme of review and change which encapsulated the Business Transformation SDOs with a series of planned reductions (primarily focussing on none statutory services and functions);
- a series of projects which enabled the authority to either take opportunities which could potentially deliver significant savings (whilst protecting front line services) or provided for greater service resilience;
- additional considerations which may not provide immediate financial benefits but which may provide for service resilience in the medium to longer term

The recently announced budget settlement provided the opportunity to clarify the financial position facing the authority over the next couple of years.

There were a range of issues which had either been announced, were understood to be in development or had been suggested in respect of emerging government policy and the role, remit and operation of local councils (and partner agencies). Whilst many of them were not clear in terms of the extent of their impact, the fact remains that there has been a fundamental shift in the strategic context within which local authorities will be required to operate including the Decentralisation and Localism Bill and a range of other bills and proposals which would ultimately affect the operation of the Council and potentially the services delivered and to whom. In addition to that identified above, there was also the Welfare Reform Bill and the Academies Bill which would potentially bring significant changes to the benefits and education systems. This was by no means an exhaustive list, they were examples of the scale and nature of change which was being driven by legislation.

It was difficult to predict with absolute accuracy what may be encompassed in any such changes but on the balance of probabilities there were a range of issues which were liable to receive significant impetus, though the exact nature of this was still unclear.

In relation to the management of local authorities the Secretary of State had focussed particularly on questioning current management structures and

there was almost certainly going to be a significant push for the greater involvement of the private sector in the delivery of local services.

The proposed programme for addressing the budget deficit was based on a combination of:

- Efficiencies identifiable through reviews of provision which were essentially those elements of services not yet considered as part of BT;
- Consideration of those areas of service where there was potential for further planned reduction in provision or where there were options around reconfiguration or consideration of eligibility etc;
- An identified framework of projects which were either capable of delivering significant savings or providing enhanced capacity to maintain services;
- Identifying opportunities for increased income either through trading, fees and charges or alternative means.

The aim through this was to have a planned and phased approach to delivering on the required savings levels, building on the successes to date in respect of the current Business Transformation Programme and ensuring that through a consolidated approach that provided for the management of the identified deficit through a new agreed Business Transformation Programme.

There were a number of immediate considerations within the programme that had been identified as a result of the scale and nature of the overall savings required and which provided potential opportunities to deliver significant savings and these cover Joint Working Arrangements and ICT and related services and were covered in detail in the report.

It was important, if the risks associated with any such programme were to be minimised, and the contribution to the MTFS maximised, that there was both a clear programme and that the financial assumptions underpinning it were suitably robust, this had been successfully achieved to date and it was intended to continue this through the renewed BT programme.

The outline programme had been determined based on a number of assumptions at this stage all of which could be easily updated following key decisions in respect of the budget and there were a range of risks attributable to the development and delivery of such a programme. There were however considerably greater risks from not having in place such a programme. The nature of the financial challenge meant that to risk not attempting to determine solutions to these issues would result in very significant and very disruptive changes at a very late stage. This was not something which would be recommended and was not something which Cabinet had been in favour of in the past.

The BT programme had been managed according to a predetermined workplan and targets for individual projects. Each element of the programme had been managed as a separate, though interlinked, project

with clear governance arrangements and timescales for delivery.

It was proposed that this be continued and expanded (albeit on a slightly different programme outline). It was proposed that the areas for consideration outlined in sections 5.4.1 and 5.4.9 efficiencies and planned reductions of the main report be combined at a departmental level to provide departments with an overall savings target, and potential scope for review for the next 12 months. This gave the opportunity for consideration to be given, as part of an overall planned reduction, to a range of options and opportunities and as part of the revised Business Transformation Programme.

It would be necessary to determine a clear programme for delivery, reporting and decision making within this framework. To achieve this it was proposed that the current arrangements in respect of Programme Board and Cabinet were maintained to ensure that Members were aware of proposals and developments and in a position to make informed decisions as part of a consolidated programme of activity.

There were no easy solutions to the problems which were facing the Council. We had been able in the past, through either a planned and structured programme (through Business Transformation) or through proposals for cutting services as seen through the most recent budgetary process, to provide significant contributions to the Medium Term Financial Strategy and to ultimately provide a balanced budget, though not without some considerable debate and concern regarding the decisions required.

The proposals to renew the Business Transformation programme identified in the report do need some further work to determine and account for any potential double counting and to ensure that we were in a position to manage and deliver it. The proposals for managing the programme were CMT's recommendations to Cabinet to enable those issues identified during the later part of last year regarding a degree of confusion between BT and budget savings to be addressed and to provide for both a degree of flexibility whilst ensuring that reporting and decision lines to Cabinet were clear.

There was some concern that one of the recommendations requested agreement to a procurement exercise commencing for ICT and the Revenues and Benefits Service. It was noted that the previous report, minute 155 refers, approved further consideration be given to alternative delivery models, including the Revenues and Benefits Service and Members were keen that this be explored further. It was therefore suggested that the proposed procurement exercise be considered at a future meeting of Cabinet once Members had the opportunity to explore further the possible alternative delivery models for the Revenues and Benefits Service. In response to a question from a Member, the Assistant Chief Executive confirmed that the aim of examining alternative delivery models was to explore more efficient and cost effective ways of delivering the back office service that supported the Revenues and Benefits Service

provision. The Chief Customer and Workforce Services Officer confirmed that the delivery of this service had the potential to be delivered either through a team employed by Hartlepool Council or by an outside organisation. It was therefore suggested that the recommendation referring to a procurement exercise for ICT and Revenues and Benefits Services be deferred to a future meeting of Cabinet.

In relation to the collaborative work funded by Regional Improvement and Efficiency Partnership (RIEP) and lead by Newcastle City Council in respect of income generation, Members were disappointed with the use of consultants. The Chief Finance Officer confirmed that the commissioning of this piece of work had no cost implications to the Council. It was noted that more innovative ideas were needed in order to increase generated income and it was suggested that the scope of the work commissioned by Newcastle City Council along with more information on the trading powers available to the Council be provided for Members consideration. The Chief Finance Officer confirmed that although it would be traditional benchmarking that was undertaken by the consultants, it was hoped that it would provide useful information for the Council in relation to options for income generation. The Assistant Chief Executive confirmed that a separate report would be submitted to Cabinet detailing the powers of the authority to trade.

A Member sought clarification on the timescale for setting up and implementing the savings required. The Assistant Chief Executive confirmed that for a range of the projects identified that the timescales would not deliver savings or solution necessarily for the next budget but that there were different timescales for completion of a number of elements with some being considered jointly.

Decision

- (i) The priorities in the programme of work identified in the report were agreed to be delivered on a departmental basis.
- (ii) The programme detailed in the report be considered by the Business Transformation Board and for decision by Cabinet as part of a managed programme.
- (iii) That a further more detailed report on potential savings from this programme be provided to Cabinet before the end of February 2011.
- (iv) That the identified projects be further scoped and progressed as part of the managed programme.
- (v) That the submission of a funding bid to Regional Improvement and Efficiency Partnership for an assessment of the potential for joint working with other local authorities be agreed.
- (vi) That the procurement exercise using the OGC Buying Solutions Framework for ICT and Revenues and Benefits Service be deferred to a future meeting of Cabinet to provide Members with further information on the alternative models of delivery for this service.

P J DEVLIN

CHIEF SOLICITOR

PUBLICATION DATE: 28 January 2011

CABINET REPORT

7th February 2011



Report of: Chief Executive

Subject: STRATEGY FOR BRIDGING THE BUDGET DEFICIT
2012/13 – BUSINESS TRANSFORMATION
PROGRAMME II (FOLLOW UP REPORT)

SUMMARY

1. PURPOSE OF REPORT

The purpose of this report is to provide additional information in respect of the decision deferred by Cabinet in its meeting of 24th January 2011 in relation to the delivery of ICT and Revenues and Benefits services

2. BACKGROUND

The report of 24th January 2011 proposed an outline structure for a strategy and related plans to address the deficits identified as part of the Medium Term Financial Strategy for 2012/13 and beyond.

The report also made proposals in relation to ICT and Revenues and Benefits which are seen to be fundamental as part of the strategy to manage the budget deficit and capable of delivering a range of benefits both to the authority and more broadly to Hartlepool as a town.

In the report of 24th January a number of elements to any renewed Business Transformation programme were identified and agreed as the basis for the development of a more detailed programme for implementation (subject to Cabinet approval). These included :

- Efficiencies
- Planned Reductions
- Projects
- Income Generation

It is in relation to Projects, and more specifically in relation to the proposed project for ICT and Revenues and Benefits, that this report focus's with section 5 of the report giving an assessment of the identified potential options.

3. SUMMARY OF CONTENTS

As was stated in the report of 24th January the current ICT arrangement with Northgate is one of the largest single contractual arrangements the authority has in place. An extension to this agreement was negotiated in 2009 to take the current arrangements to November 2013 which gave the authority a range of benefits.

The report identifies that is however appropriate to consider, in the light of a range of potential changes, challenges and opportunities whether the authority should seek to maximise any benefits which could come from alternative arrangements and that research by the council has identified that there is a potential opportunity to reconsider the current ICT delivery arrangements and to broaden the service base included in any such process to include the Revenues and Benefits service. It is clear from a range of recent government announcements that there are potentially significant changes to the Benefits function. It also appears highly likely that any such changes will direct a much greater involvement of the private sector in their delivery and that local authorities, if this is the case, will potentially be excluded from such delivery with a major focus on the private sector.

The report identifies that there are a number of factors which underpin the basis for any procurement undertaken and would include (with further detail provided in the body of the report) :

- Investment in the local economy
- Service Provision

As was stated in the report to Cabinet on 24th January 2011 an assessment of the procurement options available has been considered in respect of the extent to which these routes provide for robustness, the ability and necessity to demonstrate Value for Money and their delivery of a legally secure arrangement

The report identifies that there are a range of alternative options available to the council in determining an appropriate way forward in respect of these, and other, service areas. The main options and a consideration of the relative benefits and disadvantages, in conjunction with the associated considerations around timescales and deliverability, are outlined in the main report with a summary below.

- Retain Current Arrangements
- Create Shared Service model with another Local Authority
- Create shared service approach via a Regional Business Centre model with a Private Sector partner
- Create a Joint Venture vehicle

As Cabinet are aware from the report on the 24th January 2011 the authority is only likely to be in a position to manage the budget deficits that it faces through a broad programme of work. As was identified in this overall programme one key area will be in the delivery of a number of identified and

agreed projects. Members are well aware of the scale of the challenge in organisational and financial terms and that such a deficit requires consideration of a range of radical and significant changes.

A range of options and consideration of potential alternatives have been outlined in this report but with regard to these services there are a number of issues which support a competitive procurement of these element of Council activity:

- Preliminary research indicates that significant savings for the Council can be achieved through pursuing, though a competitive arrangement, such a process particularly where this is done in such a way that it is integrated with the complimentary IT infrastructure.
- There are potential benefits to Hartlepool in economic regeneration which the authority would be looking to maximise as part of any arrangement.
- There is significant private sector experience in the delivery of these services on behalf of the public sector so the opportunity exists to benefit from tried and tested best practice established through multiple successful outsourced arrangements.
- Proposed amendments to the national benefits system may result in significant changes to the scale and scope of the Revenues and Benefits services the Council currently provide. The ability to react flexibly to these changes will be important to the Council and this can be catered for in a well constructed contract.
- It is also important to be in a position to effectively manage the risk of any change and the operational impact on the council and the proposed solution manages this as far as would be practicable.
- Statutory protections for current staff would be maximised.

Consideration of the timescales for the management and delivery of this project, should it be agreed has been assessed and is capable of delivery (and any potential savings realised) for the 2012/13 budget.

4. RELEVANCE TO CABINET

The report is a follow up requested by Cabinet at the meeting on 24th January 2011

5. TYPE OF DECISION

Non Key

6. DECISION MAKING ROUTE

Cabinet 7th February 2011

7. DECISION(S) REQUIRED

Cabinet are recommended to

- Agree that a procurement exercise is commenced using the OGC Buying Solutions Framework for ICT and Revenues and Benefits services.

Report of: Chief Executive

Subject: STRATEGY FOR BRIDGING THE BUDGET DEFICIT
2012/13 – BUSINESS TRANSFORMATION
PROGRAMME II (FOLLOW UP REPORT)

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to provide additional information in respect of the decision deferred by Cabinet in its meeting of 24th January 2011 in relation to the delivery of ICT and Revenues and Benefits services.

2.0 BACKGROUND

2.1 The report of 24th January 2011 proposed an outline structure for a strategy and related plans to address the deficits identified as part of the Medium Term Financial Strategy for 2012/13 and beyond.

2.2 It identified that a deliverable strategy is needed which builds upon the successes and robustness of the BT programme but which considers and takes account of the decisions which have had to be made in establishing the budget for 2011/12 and the increasingly austere financial position and is capable of delivering savings for the 2012/13 budget.

2.3 As part of this it was identified that at previous Cabinet meetings (including that of 28th June 2010 reports have been considered where a number of questions were posed which have informed the budget strategy for developing the budget for 2011/12. The questions included the fundamental question of “can the authority continue to operate in its current manner” and underpinning this fundamental question were a range of others, including;

- Can services be maintained at their current level?
- Can we continue to deliver all services ourselves or should we investigate other models of delivery?
- Can we identify plans that will deliver the degree of savings needed?
- Can we balance a desire to deliver high quality services with the savings needed?
- Can/should we continue to deliver all the services we currently deliver or do we need to prioritise services?
- Can we charge for some services which are currently provided free, or increases existing charges?

The proposals in relation to ICT and Revenues and Benefits are seen to be fundamental as part of this strategy and capable of delivering a range of benefits both to the authority and more broadly to Hartlepool as a town.

- 2.4 For completeness it is worthwhile to restate the financial position which shows that whilst the final details of any likely deficit are the subject of decisions on the budget for 2011/12 by Cabinet and Council, the current forecasts suggest that the budget deficit for 2012/13 will be between £7.5M and £10.4M. This is the headline deficit assuming that there are no savings factored in for Business Transformation or Council tax rises in these years.
- 2.5 It is not felt possible to achieve these through one route alone and it is clear that there are some extremely difficult decisions to be made over the next two years.

3.0 Programme Structure

- 3.1.1 In the report of 24th January a number of elements to any renewed Business Transformation programme were identified and agreed as the basis for the development of a more detailed programme for implementation (subject to Cabinet approval). These included :

- Efficiencies
- Planned Reductions
- Projects
- Income Generation

It is in relation to Projects, and more specifically in relation to the proposed project for ICT and Revenues and Benefits, that this report will focus with section 5 of the report giving an assessment of the identified potential options.

4.0 ICT and related services

- 4.1 As was stated in the report of 24th January the current ICT arrangement with Northgate is one of the largest single contractual arrangements the authority has in place. An extension to this agreement was negotiated in 2009 to take the current arrangements to November 2013. As part of this extension a number of benefits were negotiated for the authority which have been previously reported to Cabinet and which have been a positive benefit for the organisation. The arrangements with Northgate have evolved over the period of the current arrangement and there have been significant partnership benefits to the Council from this arrangement and its operation.
- 4.2 It is however appropriate to consider, in the light of a range of potential changes, challenges and opportunities whether the authority should seek to maximise any benefits which could come from alternative arrangements.
- 4.3 Research by the council has identified that there is a potential opportunity to reconsider the current ICT delivery arrangements and to broaden the service base included in any such process to include the Revenues and Benefits service. It is clear from a range of recent government announcements that there are potentially significant changes to the Benefits function. It also

appears highly likely that any such changes will direct a much greater involvement of the private sector in their delivery and that local authorities, if this is the case, will potentially be excluded from such delivery with a major focus on the private sector.

- 4.4 There is the potential, through the consideration of ICT and Revenues and Benefits functions jointly (and as per the original options in the contract which was agreed with Northgate) that significant benefits may be realised in both costs terms and in respect of having in place a scalable solution for the provision of such services based in Hartlepool with the associated benefits which may be attributable to such an arrangement.
- 4.5 The detailed scope of services included in any specification is to be determined. It will recognise the importance of high quality front line service delivery continuing easily available to local people, especially in relation to Benefits and some aspects of Revenues services.
- 4.6 The basis for any procurement undertaken by the authority would include a number of requirements, the basis for these and the anticipated benefits are detailed below :
 - 4.6.1 Investment in the local economy
 - There is a significant opportunity, that the authority would look to maximise, that through any procurement exercise the identification of options for the development of a model of service delivery which provides for regeneration based in Hartlepool and aligns to the delivery of services at a sub regional and regional basis. We would be looking for a partner to develop and invest in the local economy and detail proposals for future growth and the investment to be made and the benefits to the partnership.
 - In addition we would be considering the extent to which proposed plans would enable and encourage other public sector organisations to utilise the services established and how this will contribute to future growth and development and plans to both retain and develop jobs within the service areas being considered to the benefit of the local economy.
 - In addition we would be considering the extent to which these arrangements are beneficial to the authority in service and financial terms through the potential for inclusions such as “gain share” (an arrangement which would provide a direct financial benefit to the authority through any additional work delivered through such an arrangement) and opportunities for further partnership or trading opportunities with the partner working directly with the authority (to the benefit of both organisations).
 - It is important to recognise that an important part of any requirement from the perspective of the local authority, in conjunction with a desire to provide additional benefits to the local economy, is to protect the

current employment of staff (this is equally the case and would be reflected in the section below, service provision).

4.6.2 Service Provision

- Any arrangement would be required to combine high quality service delivery with the opportunity for efficiencies in delivery. The OGC buying solutions framework has 12 private sector providers that are prequalified with the OGC Buying solutions for the delivery of such services. The pre qualification for this frameworks includes assessments of :
 - Technical solutions (innovation, benefits realisation, quality of solution)
 - Commercials (Pricing, Value for Money, Payment profiles)
 - Service Delivery (Service levels, key performance indicators, Transition)
- Any potential provider would be expected to demonstrate how services will be delivered, to the outcomes that the Authority specifies, the service standards and quality frameworks that they will work to. It is important to recognise that the delivery of services may differ from current arrangements but will have to be allied to the outcomes and service standards specified.
- In recognition of the changes and pressures which the authority faces there will be a requirement for any provider to identify both the savings to be delivered against the current cost base, the approach to the risks in delivering these savings and the assumptions made in determining these. Such reassurances provide the authority with a basis upon which to adequately manage overall financial and service risk.
- The external, nationally driven, policy and financial pressures which the authority is facing will mean that any provider is required to demonstrate how any proposed delivery model and associated costings demonstrate ongoing value for money, service flexibility and flexibility in provision and partnership arrangements to both meet the authority's ongoing transformation agenda and external pressures, drivers and national policy changes.
- Particular consideration will need to be given to how any provider will review and improve provision over the course of the agreement with particular reference to considerations around the effects of universal credit and provision.

4.6.3 As was stated in the report to Cabinet on 24th January 2011 an assessment of the procurement options available has been considered in respect of the extent to which these routes provide for robustness, the ability and necessity to demonstrate Value for Money and their delivery of a legally secure arrangement but any adopted route is obviously subject to Cabinet consideration in this meeting of the additional information requested in the meeting of the 24th January 2011.

5.0 Options available

- 5.1 There are a range of alternative options available to the council in determining an appropriate way forward in respect of these, and other, service areas. The main options and a consideration of the relative benefits and disadvantages, in conjunction with the associated considerations around timescales and deliverability are outlined below.

5.2 Retain Current Arrangements

- 5.2.1 The Council continues to deliver services within the current delivery model via an 'in house' delivery of Revenues and Benefits Service and a partnership (or outsourced) ICT model with Northgate. The current ICT Managed Service contract will continue until the end of the current term in October 2013 whereby the Council will look to re-tender. The Revenues and Benefits Service will continue to be delivered 'in house' by the Council. It would require the authority to retain responsibility for delivering savings as part of the MTFS via the current Business Transformation Programme (BT).

5.2.2 Potential Benefits

- By maintaining the existing outsourced arrangement for the management and support of ICT, HBC will continue to have in place a stable solution for the provision of ICT and the currently agreed savings in line with contract extension signed in 2009. This provides for stability in respect of current service provision in respect of the increased utilisation of ICT in the core delivery of services
- Overall ownership for the Revenues and Benefits service will remain with the Council allowing changes already identified in the current Business Transformation programme to be realised in the short term and consideration to be given internally to the options available for the delivery of further savings.
- There will be limited change as a result of taking this course of action. This would provide a degree of stability but should be considered alongside the alternative options outlined in this section of the report in particular in respect of the overall financial position of the authority and potential drivers for change.

5.2.3 Potential Risks

- Although short term savings will be realised there is a risk associated with the ability to achieve Medium term savings from within Revenues and Benefits and in respect of savings which it is been assessed as being deliverable from the overarching ICT arrangements by taking this approach and as a result there are currently no guaranteed savings that can be made over and above the savings already identified in the BT programme.
- In order to meet the challenges presented to HBC as a result of the spending review it is likely that additional cuts will need to be made from

within Revenues and Benefits over the next 12 months in order to help address the continuing deficit position. Whilst there are some options in respect of achieving these given the nature of the service and its current resource base these cuts are likely to come in the form of headcount reduction which will place significant pressure on the quality of the existing service and staff delivering these services.

- The stability and resilience of the service will be severely jeopardised as a result of the need to continue to make savings and without a fundamental change in the delivery model it is anticipated that this will become untenable within the next 24 months
- The government has already announced a number of legislative changes that will have an impact on the future delivery of services across all Local Authorities. In particular the Welfare Reform Bill announced late 2010 is set to have a significant impact on benefits with the introduction of universal credit in 2013 through to 2017. This is likely to affect thousands of public sector roles across the country as responsibility shifts to the DWP. This will ultimately place greater pressure of the quality of service and cost of service by retaining the service in-house. At this stage it is not clear whether current staffing will be afforded any protections should these arrangements change nationally.
- There is a potential 12 month window of opportunity for the Council to work with both the private sector and public sector to be at the forefront of legislative changes and alternative methods of delivery in order to shape future direction.

5.3 **Create Shared Service model with another Local Authority**

5.3.1 The Council could seek to establish a shared service arrangement with another Local Authority/ies for back office functions with a particular emphasis in the first instance on Revenues and Benefits with the potential to share ICT services across other public sector organisations from October 2013 at the end of the current ICT contract.

5.3.2 **Potential Benefits**

- By joining forces with another Local Authority for back office functions the Council will be able to better ensure the resilience of the current service.
- There are some potential that savings would be achieved over and above the current BT programme which would benefit the Council in line with its Medium Term Financial Strategy, although the quantification of these and their timescales cannot be established at this stage.
- If such a joint arrangement were to be located in Hartlepool this would retain jobs locally with the ultimate potential to consider developing this employment base further. Any such development would be beneficial to the broader local economy and is also covered in other options as being potentially beneficial.

5.3.3 **Potential Risks**

- At present there are a number of shared service initiatives across local government all of which are diverse in nature and as has been discussed with Cabinet previously require continued agreement from all concerned. There is no current agreement to pursue such an option and as has been seen reaching such agreement is problematic, in particular in terms of governance and lead authority, and time consuming and would result in a significant delay in implementation and is unlikely to achieve the savings requirements for the 2012-13 budget.
- Although opportunities will exist within the region for shared services and in particular back office shared services, the costs and time associated with the need to integrate ICT infrastructures and transform services in order to drive out cost savings is considered to be counterproductive to the savings that can be achieved.
- There is the potential that by adopting a shared service approach especially in Revenues and Benefits that the recent announcement of the Welfare Reform Bill and the fact that as a result of Universal Credit, the majority of the Benefits service will be transferred to the DWP by 2017 will result in a significant risk to both current staff and the future delivery of these services in Hartlepool.

5.4 **Create shared service approach via a Regional Business Centre model with a Private Sector partner**

- 5.4.1 The Council would, via an OGC Buying Solutions process, appoint a suitable partner who would deliver ICT services and Revenues and Benefits Services via an outsourced arrangement. In addition there will be the capability for the Council to look at other back office functions where a shared service may be applicable under this arrangement. Through any procurement route any appointed partner will be expected to assume full risk for set up and ongoing delivery of the services and projected savings over the term of the contract.

5.4.2 **Potential Benefits**

- Research has suggested that there are potentially considerable savings on the current costs of delivery to be achieved through the adoption of this route.
- A guaranteed level of savings for the Council will be delivered over the term of the contract enabling surety and certainty in the Council's budget planning. It would be expected that any private sector partner will take on all of the risk associated with the delivery of these savings and there would be a transfer of risk to the appointed partner associated with future delivery of the service to ensure guaranteed service levels, service quality & resilience.
- The management of the impact of Universal Credit and its associated risks will be transferred to the private sector partner to manage. A private sector partner will be required to handle these requirements and any associated delivery arrangements in agreement with the council.
- It would be expected that the private sector partner will invest in the Hartlepool area enabling economic re-development, job retention and growth and a partnership would also provide the opportunity to deliver

future revenue streams for the Council for additional business brought into the shared service arrangement.

5.4.3 Potential Risks

- As with any potential change there are a number of potential risks and uncertainties. It is important that in determining the arrangements for the provision that the authority is clear in respect of the outcomes it expects and any core / key requirements in this delivery. It is not appropriate for the authority to determine to a minute level of detail the manner of delivery but there are key performance a delivery assurance that will need to be built into any agreed arrangement.
- Whilst research has been undertaken there is no absolute guarantee that the market will be interested in the delivery of these services. This is highly unlikely but should this be the case it would require the authority to determine alternative plans in these areas.
- Any potential change will bring with it significant considerations in respect of the mechanisms required to ensure that through this period of change that important services can continue to be delivered effectively to current and prospective clients. It would be necessary through any such change to ensure that adequate arrangements are put in place to ensure this.

5.5 Create a Joint Venture vehicle

5.5.1 Under such an arrangement the Council would set up a joint venture company in partnership with a private sector provider to deliver Revenues and Benefits and ICT services to the Council, and potentially other public sector organisations in the future. Any Joint Venture would have a 50% ownership for each party and would involve appropriate investment from both parties to set up and operate, as well as joint management and governance structures.

5.5.2 Potential Benefits

- The Council would retain partial ownership of services within the organisation allowing a retained influence over the delivery and management.
- Working with a partner within a joint venture arrangement may open up further opportunities to provide services to other Local Authorities

5.5.3 Potential Risks

- The timescale to set up such an arrangement are likely to be significant and as such may not address the Council's savings requirements within the next 24 months. It is unlikely such an arrangement would be launched within the next 18 to 24 months.
- The costs to set up and manage a joint venture are significant and a large proportion is likely to be required by the Council. Additionally, the

Council's own resources required to deliver such a venture may be prohibitive.

- In setting up a joint venture the legal requirements will be substantial and lengthy and is likely to involve significant external legal advice and associated cost.
- The analysis suggests to date there has been limited success across recent ventures in this area. In particular savings initially forecast are generally proving to be overly optimistic. This arrangement provides the Council with no guarantee of savings and in fact may create liabilities in the event of an unsuccessful venture.

6.0 CONCLUSION

6.1 As Cabinet are aware from the report on the 24th January 2011 the authority is only likely to be in a position to manage the budget deficits that it faces through a broad programme of work. As was identified in this overall programme one key area will be in the delivery of a number of identified and agreed projects. Members are well aware of the scale of the challenge in organisational and financial terms and that such a deficit requires consideration of a range of radical and significant changes.

6.2 A range of options and consideration of potential alternatives have been outlined in this report but with regard to these services there are a number of issues which support a competitive procurement of these element of Council activity:

- Preliminary research indicates that significant savings for the Council can be achieved through pursuing, though a competitive arrangement, such a process particularly where this is done in such a way that it is integrated with the complimentary IT infrastructure.
- There are potential benefits to Hartlepool in economic regeneration which the authority would be looking to maximise as part of any arrangement.
- There is significant private sector experience in the delivery of these services on behalf of the public sector so the opportunity exists to benefit from tried and tested best practice established through multiple successful outsourced arrangements.
- Proposed amendments to the national benefits system may result in significant changes to the scale and scope of the Revenues and Benefits services the Council currently provide. The ability to react flexibly to these changes will be important to the Council and this can be catered for in a well constructed contract.
- It is also important to be in a position to effectively manage the risk of any change and the operational impact on the council and the proposed solution manages this as far as would be practicable.
- Statutory protections for current staff would be maximised.

6.3 Consideration of the timescales for the management and delivery of this project, should it be agreed has been assessed and is capable of delivery (and any potential savings realised) for the 2012/13 budget.

6.4 As a result of this it is proposed that a procurement exercise is commenced using the OGC Buying Solutions Framework for ICT and Revenues and Benefits services which is a framework of providers pre qualified to meet procurement and service requirements.

7.0 RECOMMENDATIONS

7.1.1 Cabinet are recommended to

- Agree that a procurement exercise is commenced using the OGC Buying Solutions Framework for ICT and Revenues and Benefits services.

Contact Officer – Andrew Atkin, Assistant Chief Executive
Andrew.Atkin@Hartlepool.gov.uk

- i) DWP Benefits Admin grant allocation 2011/12 - £1,126,921 (this is a 6.2% cut on 2010/11 -£1,201,910).

DWP Additional recession workload payment for 2011/12 - £113,357.

Revenues Budget 2010/11

Salary	£956,000
Non Staff	£183,000

Less

Court Costs / Bailiff Fees etc	£282,000
NNDR Admin Grant	£125,000

Forecast Bailiff Income 2010/11 £52,000 including £13,000 from Darlington BC.

(NB. additional Bailiff Income is forecast in 2011/12 from enforcement of unpaid car parking notices within HBC and potential delivery of similar service to Darlington BC).

Benefits Budget 2010/11

Fraud	£241,000 (visiting and investigations)
Assessment / Appeals etc	£1,562,000

- ii) Revenues and Benefits staffing budget transferred to Hartlepool Connect to provide face to face customer services - £110,000.

Revenues and Benefits staffing budget transferred to Chief Executive's Department Support Services function - £161,000.

The only vacant post within Revenues and Benefits currently is a fixed term Benefits Fraud Investigation Officer post.

- iii) Staffing structure that will be effective from 1st April 2011 is attached. Detailed job descriptions for every post within the structure (**Appendix E1**) have not been copied given the range of posts and volume of documentation that would be involved but are available on request to John Morton.

- iv) Benchmarking Data

The Council participates in national benchmarking for Council Tax and for Housing / Council Tax Benefit Administration. The latest available benchmarking data is for 2009/10:

National Benchmarking Data 2009/10

Benchmarking Measure	Hartlepool	National Average
Benefits Gross Cost per Weighted case	£53.30	£59.20
Benefits Speed of Processing New Claims	24.3 days	24.6 days
Benefits Speed of Processing Changes in Circumstances	9 days	9.2 days
Benefits Percentage of New Claims paid within 14 days of all information received	87.2%	84.6%
Benefit Appeals lodged / 1000 claimants	3.8	6.9
Council Tax Billing / Collection Gross Cost per Dwelling	£15.11	£15.57
Council Tax in year collection (Unitary councils)	97%	96.3%
Council Tax long term collection (Unitary councils after 5 years)	99.2%	98.6%

Benefits Benchmarking covers 156 local authorities.
 Council Tax Benchmarking covers 146 local authorities.

Appendices E2 and **E3** show Hartlepool's position compared to other outsourced Councils in 2009/10.

Participation in benchmarking is voluntary and available Teesside comparators as far as are available are shown in **Appendix F** which should be considered as a confidential item.

v) IRRV Benefits Team of the Year winners

2010 North Warwickshire (in house)
 2009 South Norfolk (outsource provider)
 2008 Croydon (outsource provider)
 2007 Vale Royal BC (in house)

A copy of the North Warwickshire winners submission 2010 is attached (**Appendix E4**) for information.

Hartlepool BC won the national IRRV Award for Excellence in Social / Financial Inclusion 2008 attached (**Appendix E5**).

Hartlepool BC was shortlisted for IRRV Revenues Team of the Year and IRRV Benefits Team of the Year 2006 (**Appendix E6 and E7**).

vi) Benefits Counter Fraud Activity

Benefit Fraud Sanctions Achieved 2009/10

	2009/10
Number of Cautions	57
Number of Administrative Penalties	8
Number of Prosecutions	18
Total	83

The value of the 8 administrative penalties has been estimated at £2,100 (the officer who co ordiates this information is currently on jury service).

vii) National Issues / Legislation

A number of regulatory and legislative changes are planned by the government which will in future reshape the welfare benefits landscape and will impact significantly on the role and responsibilities of local authorities. In overall terms there is to be a shift of focus and responsibility to the DWP. Some of the key changes are outlined below:

1 Reform of Housing Benefit (Local Housing Allowance)

1.1. Nationally housing benefit is costing the taxpayer about £21billion per year and the cost of such benefit has grown rapidly in recent years in particular since the introduction of a new system of Local Housing Allowance (LHA) in April 2008. The new coalition government is committed to reforms to reduce the cost of LHA and changes have been laid down that are to be implemented by local authorities. These include:

- a system of national maximum rent caps for different types of property will be established £250 for one bedded, £290 for two bedded, £340 for 3 bedded and £400 per week for four bedded accommodation. The four bedroom rate will also be the maxima rate irrespective of the number of bedrooms a family unit may require.
- the end of the £15 excess arrangement whereby LHA benefit claimants who elect to live in a cheaper property than the current local LHA rates are entitled to keep up to £15 per week of the rental / housing benefit saving to the taxpayer.

- substantial increases in non dependent deductions staged over the period April 2011 to March 2014 (non dependent deductions are used as part of the calculation of benefit awards in respect of non claimant other occupiers of a property). These increases will have to be actioned by the Council and will reduce the value of benefit awards.
- 1.2. Currently rents in the private rented sector are set for LHA purposes by taking the median rent within the local broad rental market area. Hartlepool is in the Teesside local broad rental market area which includes properties in Middlesbrough, Stockton and Redcar and Cleveland. In future, LHA rents will be based on the 30th percentile point in the local broad rental market area instead of the median point. This will have the effect that two thirds of rent levels in the area will exceed the maximum housing benefit rate. The government has now decided that the 30th percentile changes to LHA will only apply for existing claimants from 9 months after the annual review of their LHA claim. However, the 30th percentile changes will apply to new housing benefit claims from April 2011.
- 1.3. From April 2013 LHA rates for different property types will be increased annually by Consumer Price Index (CPI) rates irrespective of local rental values ie. local rents within broad rental market areas will no longer be used to set LHA rates. This will simplify administration of LHA and will make it easier for housing support to be absorbed within the new Universal Credit. All of these complexities and changes will need to be sensitively and effectively handled by the Council's Benefits Service.

Welfare Reform Bill 2011

- 1.4. A Welfare Reform Bill (WRB) was published in Feb 2011 which introduces Universal Credit, to replace a number of existing benefits including housing benefit. This will lead to the abolition of housing benefit. Universal Credit is to be administered by the DWP and therefore the WRB will have significant implications for the future of the benefits services currently delivered by local authorities and also for the role of councils within a reformed benefit system.
- 1.5. The new Universal Credit will be introduced for working age claimants which will cover all out of work benefits (including Housing Benefit). Latest indications are that the plan is for Universal Credit to be available in 2013/14 for some new claimants. Existing claimants will be transferred across to the new arrangements in phases and this is expected to be fully completed by April 2017.

- 1.6. The WRB will also lead to changes in counter benefit fraud investigation work including creating a new single Fraud Investigation Service. The current benefit fraud investigation arrangements involve DWP investigators covering DWP administered benefits, local authority investigators covering Housing and Council tax benefit fraud and Her Majesty's Revenue and Customs (HMRC) investigators being responsible for investigating tax credits fraud. To maximize the impact and effectiveness of counter benefit fraud activity, in 2013 a new Single Fraud Investigation Service (SFIS) for all welfare fraud is to be created under the operational control of the DWP.
- 1.7. The new SFIS will involve bringing together all fraud investigators working in DWP, local authorities and HMRC on benefit and tax credit fraud. In addition another 200 investigators are to be recruited to increase the overall strength of the new service. The detailed operational delivery model has not yet been defined but the DWP have indicated that they still expect there to be geographically based dispersed teams as part of the SFIS.
- 1.8. The WRB provisions include proposals for reforms to Disability Living Allowance (DLA) by the introduction of a new Personal Independence Payment for those that are disabled. Details surrounding the proposed changes are at this stage unclear but any changes to DLA will have consequential impacts on Housing and Council Tax Benefit workload at councils probably before the change to Universal Credit.
- 1.9. The WRB makes reference to reforms to Employment and Support Allowance. A DWP programme commenced in February 2011 involving the review and reassessment of all claimants in receipt of Incapacity Benefit, Severe Disablement Allowance or Income Support (on the grounds of incapacity) to determine whether they are entitled to the new Employment and Support Allowance. There are estimated to be about 3,000 individuals in Hartlepool in receipt of these benefits who will be reassessed for entitlement to Employment and Support Allowance (ESA). Any changes to an individual's ESA will require the council to recalculate Housing and Council Tax Benefit entitlement.

Comprehensive Spending Review – Council Tax Benefit

- 1.10. Council Tax Benefit which is currently administered by local authorities will not be included in the Universal Credit scheme. It will however be abolished in 2013 and it is proposed will be replaced in April 2013 with a new and cheaper local council tax "rebate scheme to be administered by local authorities.

- 1.11. The Comprehensive Spending Review confirmed that at a national level the government plans to reduce the cost of the current Council Tax Benefit scheme by 10% from 2013/14 which it is anticipated will save about £0.5 billion a year. Indications are that local authorities will be able to set up a local council tax rebate scheme to suit local needs (subject to some limitations) and will be issued by central government with an annual cash limited sum to cover the costs of local rebate awards.
- 1.12. In Hartlepool in 2011/12 it is estimated that council tax benefit totalling £14.1m will be awarded. However, under a new Council Tax Rebate scheme the council would only be given funding of £12.7m leaving a shortfall of £1.4m. The extent of local authority freedoms and responsibilities under a new council tax rebate scheme are not yet clear. It could be that a rebate is restricted to a particular council tax banding or that those with capital over a certain figure are excluded
- 1.13. In addition, there has been a suggestion that councils may be entitled to retain for general fund expenditure a portion or all of the difference between their rebate cash allocation from central government and the actual cost of their local rebate scheme. Further details are awaited however what is clear is that the council will need to financially model the cost and impacts of a range of different rebate schemes before determining its local framework.
- viii) There is no stronger link between Revenues & Benefits services and the managed ICT services delivered by Northgate than any other Council Services reliant upon ICT systems:
- The Revenues and Benefits services depend upon specialist software systems. The ICT contract provides for a managed service to support and develop software systems, infrastructure and ICT assets. By combining Revenues and Benefits and ICT into one contract the provider would deliver Revenues and Benefits services by using specialist software systems as well as maintain and develop corporate ICT services.
 - If the Revenues and Benefits services were retained in-house there would be no direct impact of the ICT contract being renewed.
 - It has not been possible in the time available before this report went to print to obtain benchmarking/performance information for local authorities where Northgate or other OGC Buying Solutions companies provide Revenue and Benefits Services.
 - The last round of national Comprehensive Performance Assessment (CPA) Ratings were published in 2008. As part of

this assessment framework, Housing Benefit was the subject of an annual service review made up of a number of core performance indicators and service standards / enablers. In 2008, nationally 97% of council's achieved either a level 3 or level 4 rating, with 50% achieving a top score of 4. Hartlepool BC achieved a level 4 rating (**Appendix E8**).

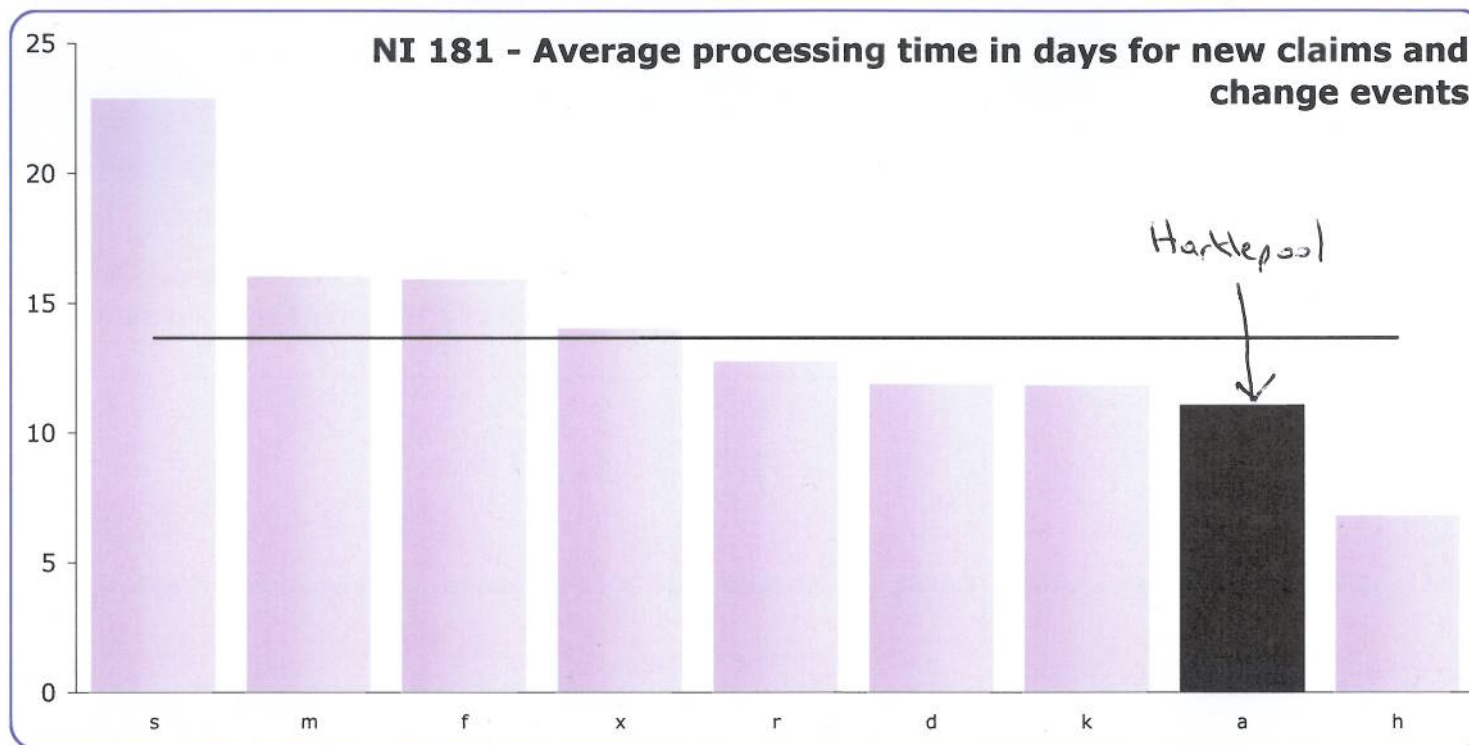
Councils in the North East and Yorkshire tended to perform strongest with 70% and 64% of councils respectively achieving a level 4 score, reflecting a commitment to high standards of benefits service and recognising the importance attached to benefits administration in these regions given their relatively high levels of deprivation. Within the Tees Valley all five councils achieved the top score of a level 4. Two councils Redcar and Cleveland and Middlesbrough have their benefits services delivered by private sector providers (Liberata and Mouchel respectively).

Comprehensive Area Assessment (CAA) replaced CPA in April 2009 as a new way of assessing local public services in England but was abandoned by the new coalition government in May 2010. The approach to CAA differed from CPA and importantly for Benefits Services there was no longer an annual service review and service score. A new national performance indicator set was defined by the Audit Commission for 2008/9 and for benefits the former 19 indicators were reduced to 2 indicators the Right Time which measured speed of processing and Right Benefit which sought to measure outcomes in terms of volumes of adjustments made to claims.

- ix) Information available at this time in relation to potential partnering/joint venture arrangements is contained in Paragraph 5 of **Appendix C**.

Hartlepool compared to Outsourced Councils

CIPFA Benefits Administration Benchmarking Club 2010



Black Bar:

11.1

Average:

13.7

Step 1 - Graph:

Page 4: NI 181 - Average processing time in days for new claim ▼

Step 2 - Authority:

Hartlepool ▼

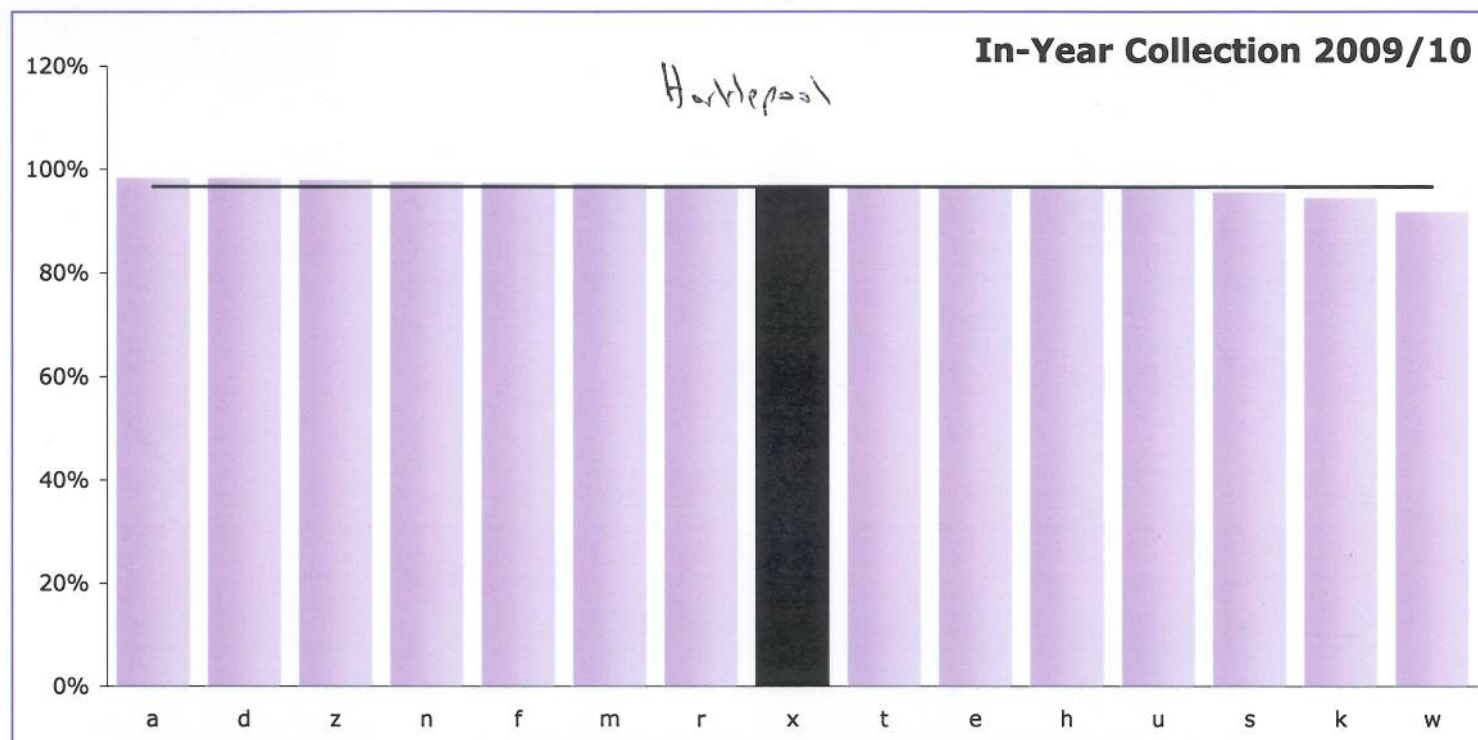
Step 3 - Comparator

All Members ▼

Confidential - Please remember that club information is confidential and named data must not be passed beyond club members.

Hartlepool compared to Outsourced Councils

CIPFA Council Tax Benchmarking Club 2010



Black Bar: 97.0%

Average: 96.7%

Step 1 - Graph:

Page 15: In-Year Collection 2009/10 ▼

Step 2 - Authority:

Hartlepool ▼

Step 3 - Comparator

All Members ▼

Confidential - Please remember that club information is confidential and named data must not be passed beyond club members.

North Warwickshire Borough Council



NORTH WARWICKSHIRE BOROUGH COUNCIL

BENEFITS TEAM OF THE YEAR

IRR V AWARDS SUBMISSION 2010



North Warwickshire
Borough Council

Summary of the main features of our submission

This submission is submitted by a Benefits service that has delivered consistent very high upper quartile performance in a customer focused and innovative environment. Evidence of this claim can be demonstrated by the excellence in choice and quality being delivered to everyone who comes into contact with our services recognised in our success of winning numerous National awards and featured in Government case studies in recent years. We hope that this year we can go one better than in 2006 and 2007 when we last entered this category and we hope our efforts in continuing to push the boundaries of excellence to deliver even better and more holistic services will see us lift the ultimate prize meaning it will be third time lucky!

North Warwickshire is a rural area covering 110 square miles, with a population of nearly 62,000 and has a caseload of 5,284, which has increased by 15% on 18 months ago. Our problems are not case related (the majority being owner occupied or Council Tenant claims) but more to do with resilience, accessibility and providing a customer responsive service. We believe we achieve all these things and more.

We are an Authority "who hit above our weight"

- Since 2003, we have consistently delivered excellent performance achieving upper quartile performance in all 5 national benefit indicators reported by the DWP both nationally and in our family group of Councils. Our overall performance placed us in the top 10 Councils nationally when figures were last published in 2008. Whilst data has been more difficult to compare recently, our own benchmarking has indicated we are best in our class and figures released by the DWP up to 30/9/09 indicate we were 14th nationally and improved on our RTI in the second half of the year meaning if all things remain equal, we would be third in the country.
- In terms of the best value customer satisfaction indicators last undertaken in 2006/07, of the seven indicators, we were an upper quartile performer in all of them and having implemented the Gov Metric solution to measure satisfaction in 2009 in addition to their ongoing surveys, this continues to support these findings. This emphasis on customers was also acknowledged in the service being awarded a Chartermark in January 2006, retained in 2007 with a perfect fully compliant score and we are being judged under the Customer Excellence standard on 26 May 2010. From our pre visit, we expect to achieve this award with another very high compliance score.
- We have been externally recognised by the Audit Commission through Subsidy Audits, and via Direction of Travel and Use of Resources reviews, as providing high quality, VFM services. Our self-assessment under the KLOES demonstrates we are complying with many of the expectations it has made of us.

We are committed to providing excellence

- The service works closely to meet Corporate Priorities and leads the way internally and across Warwickshire in many areas (e.g.) identifying, leading and driving partnership working both across Warwickshire and with Coventry via our CANWE partnership, home and flexible working, promoting financial inclusion and being successful in obtaining external funding. Our foresight in addressing these agendas before Government pressure has meant we have been better placed than most of our peers to achieve in the recent climate of increased caseloads and cost reductions which have a greater impact on us as a small district than some of our larger colleagues.

- We provide a coordinated welfare & visiting service to advise on, and maximise customer's entitlement to all types of benefits working closely with other stakeholders, in particular the Pension Service.
- The Division has good modern technology that it uses well and is a key reference site for ACADEMY, INTEC, its NORTHGATE CRM and the corporate TOWER document management system.
- The service has developed a good website allowing direct access to customers to obtain information and apply for benefit on-line. We have also developed our own mobile working technology over the last five years that we utilise in people's homes, on the BOB bus (our outreach service) and at roadshow events which was continued to be delivered in spite of the challenges moving to GCSX introduced.
- We pay over 90% of landlords and tenants by BACS.
- A track record of delivering all changes to legislation on time
- Extensive consultation has been undertaken with landlords and other stakeholders who have expressed very high levels of satisfaction with the service and describe us "as the best Council they deal with".
- Measurable Customer Service Standards in place
- We deliver a comprehensive training programme, including cross training initiatives with the CAB and other Councils and supported by our partner Coventry CC with whom we are developing a more robust NVQ assessment centre.
- The division has excellent performance management processes and quality checking in place meaning we have consistently operated below the LA error threshold every year since it was introduced and maximised income via effective overpayment recovery.

We are a partner people want to work with

- Considerable joint working on procedure, process and leaflet design, and the joint letting of contracts with a variety of different partners including the other Warwickshire Councils. Following a Shared Service feasibility study led by our service and completed in March 2007, we have introduced a number of benefit, training and fraud initiatives with Coventry CC who remain very keen to work with us based on our reputation and excellence. This is currently being explored. This saw us win the Excellence in Fraud award at the IRRV conference in October 2009.
- In 2006, we developed front-end processes and service forms which have been used in our contact centre and customer service area. These are still used in the service today.
- We have been a successful pilot site for many DWP initiatives being the first Council in the Midlands to go live with GCSX technology, assisted in the development of the Tell Us Once and In and Out of Work initiatives and also evaluated VRA technology which will still use in partnership.
- We work closely with local strategic partners, in particular, the CAB, Credit Union, DWP, Colleges, Schools, Children Centres and Warwickshire Welfare Rights to target take up campaigns both at surgeries and on the road via our BOB initiative delivered jointly with Housing, and third sector partners ensuring we provide "joined up" services.

Committed to Progress and Thinking Outside the Box

- We are committed to ongoing challenge of the service and where improvements are necessary or desired, these are included in our Service Plan.

Do you currently hold any local/national public awards for your service?

The Council achieved accreditation to the Investors in People Standard in May 1999 and passed a re-assessment in 2000, 2003, 2006 and again in 2009.



INVESTORS IN PEOPLE

The Division was awarded a Chartermark the Cabinet Office in January 2006 recognising its Excellence in Customer Service. This was re-awarded in January 2007 and we are currently awaiting our inspection under the new Customer Excellence standard in May 2010.



The Benefits Service was shortlisted on four previous occasions for IRRV awards, the Benefits Team of the Year award in 1998, 2006 and 2007, in the latter when it was Highly Commended and the New Initiative of the Year in a joint bid with CAPITA and Amber Valley D.C in 2003. It was part of the winning Excellence in Customer Services award in 2007 and a contributor to the successful winning with Coventry CC and Rugby BC of the Excellence in Fraud award in 2009.



The Finance Division won the LGC Finance Team of the Year in March 2007 in a submission based 85% on Revenues, Benefits and Customer-related achievements.



Summarise the current performance of the Team (include details of recent assessments / external inspections and national performance indicators)

External Inspections

The Division was awarded a Chartermark the Cabinet Office in January 2006, retained in 2007 recognising its Excellence in Customer Service. To achieve the award the Council had to demonstrate compliance with 63 separate criteria. In scoring one of the highest marks ever awarded, the following were highlighted as excellent practice in the report;

- **Very High Quality staff, professional and clearly focussed upon customer needs.**
- **Excellent and often inspirational leadership at every level that has generated a "can do" culture.**
- **A range of very good partnerships that have enhanced customer experience.**
- **Extensive and High Quality consultation with all stakeholders.**
- **The work of visiting staff is enhancing the experience customers have with our service.**
- **Very high and improving levels of customer satisfaction with the service.**
- **Excellent, informative and well-managed displays of information.**
- **Excellent use of technology that is opening up access to information and resulting in an improved and cost effective service**

We have built on this position considerably since 2007 and fully expect to get awarded the new Customer Excellence standard at the end of May 2010 and again be very compliant.

Audit Commission – Housing Report in 2006 and 2008 – Whilst the report was not complimentary about our Housing Services, they were very positive and identified many areas of best practice with the work of the benefits service. Since this report our housing service has been re-inspected and improved to a rating of good and again it highlighted excellent practice being delivered by and with the benefits, which has recently expanded to include delivery of further joint initiatives as part of the BOB bus "DSCF sponsored" Government initiatives. We have also been a key contributor to excellent Direct of Travel assessments given to the Council and very positive use of resources reports.

The DWP have also visited us on site in the last 12 months to understand how we deliver such high performance levels and the Assistant Director was invited to speak to all Audit Commission staff about the approach and key issues that benefits services face based on the best practice approach taken by the Council. We were also approached and agreed to be subject of a KLOE inspection should the Government decide to visit consistently excellent performing Councils.

Local / National Performance Indicators

Performance information to monitor progress against targets is provided at a number of levels from key BV P.I.'s reported to Members and the Senior Management Team once per month, weekly figures used by Senior Management in the Division which are published weekly down to daily information provided to front line managers and staff alike to monitor outstanding work levels and achievement of personal targets.

In general, the aim of the Division is to keep the oldest outstanding workloads items below 5 working days and most work is processed much quicker than this.

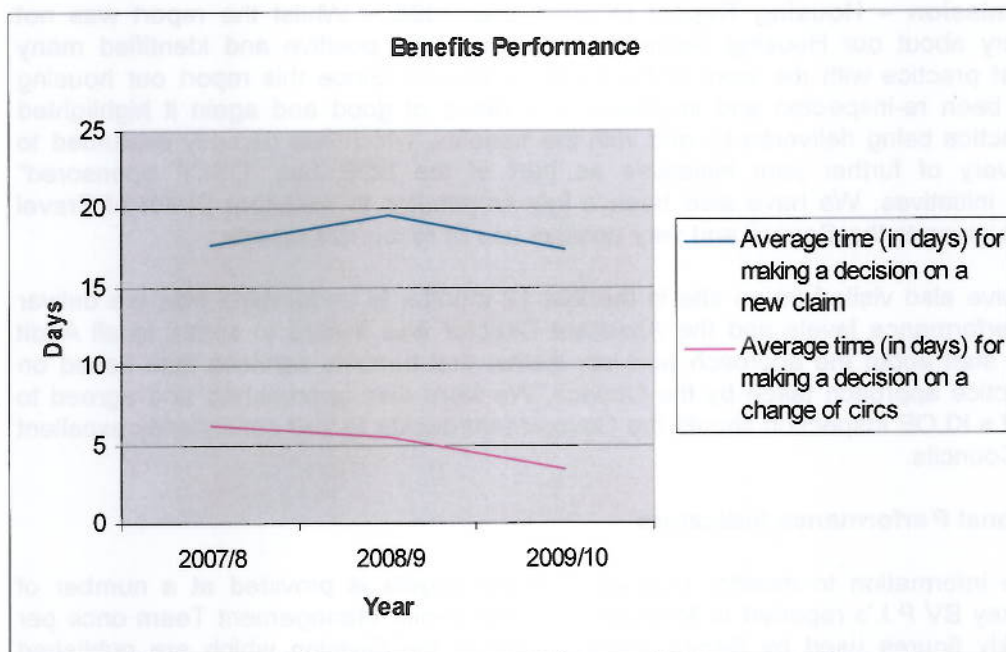
Comparative Groups and Process Benchmarking

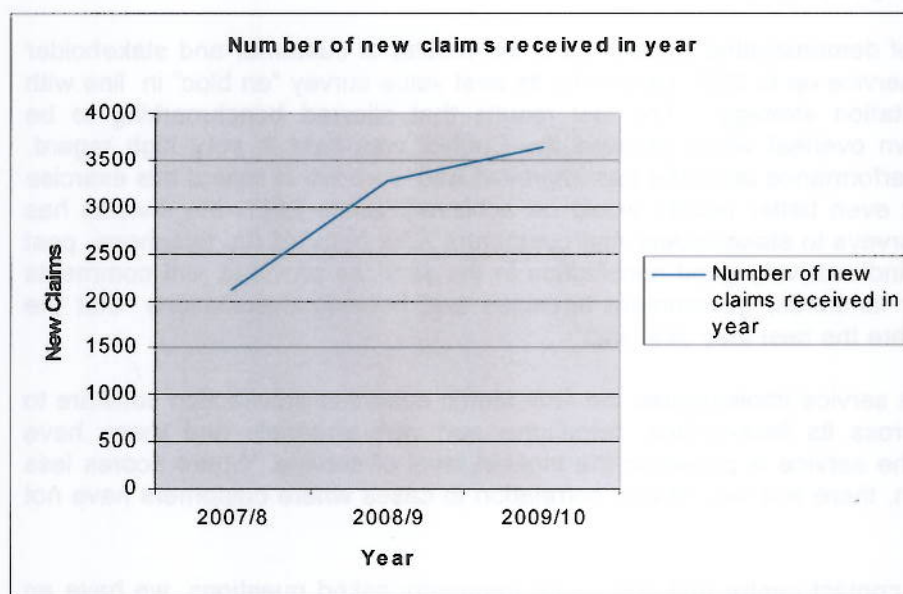
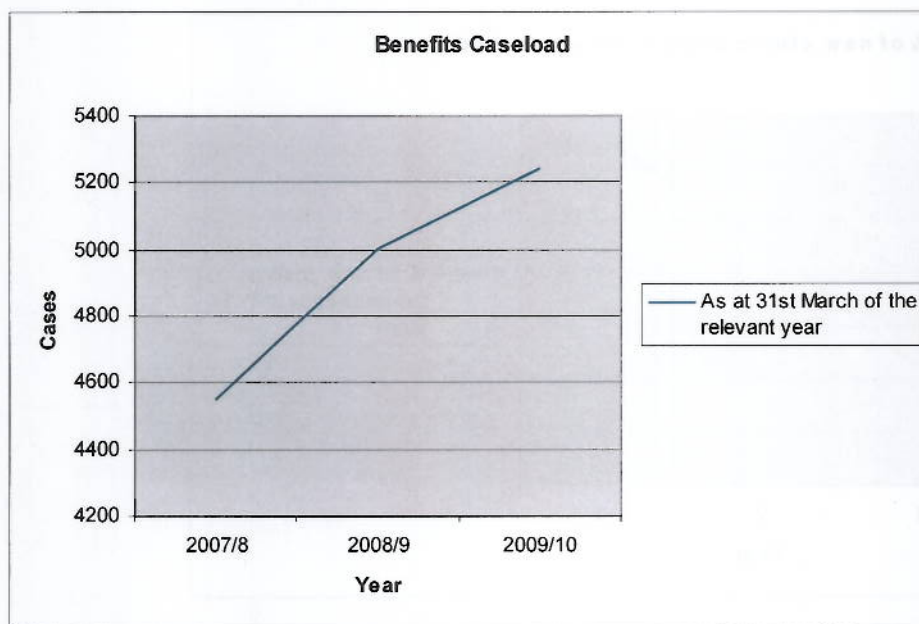
Comparison is undertaken against a variety of groups and we consistently deliver excellent upper quartile performance in all national benefit indicators reported by the DWP both nationally and in our family group of Councils. Our overall performance places us in the top 10 Councils nationally which we have achieved consistently since 2005. This is unusual and not a position that has been replicated by the previous winners of the award to whom we were runners up.

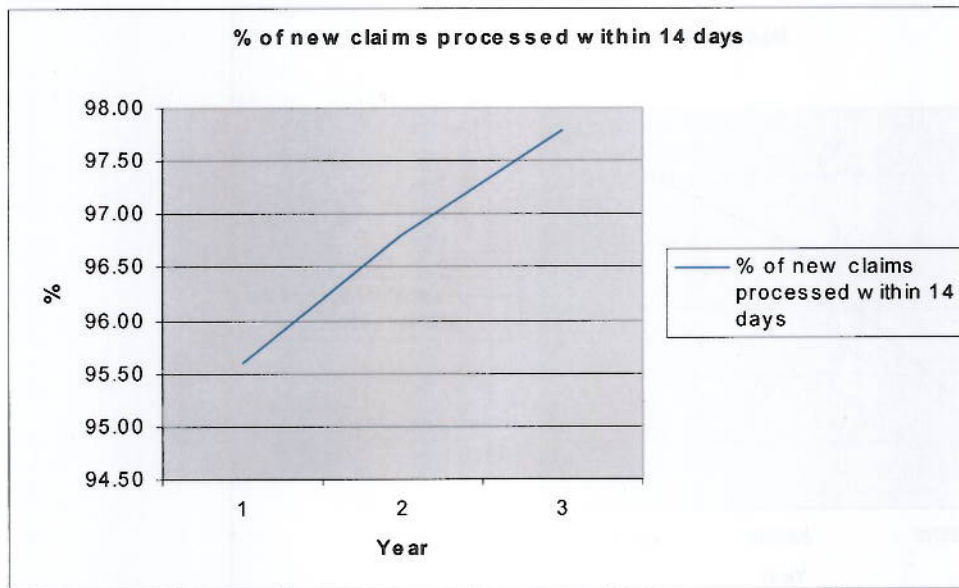
Our Service Plan also reports on our performance in take up, the prevention and detection of fraud, collection and customer service performance which all contribute to providing a joined up, holistic and quality customer experience. All of the following the benefit team are responsible.

Benefits	2007/2008	2008/2009	2009/10
Average days to process new claims	17.7	19.6	17.9
Average days to process COC	6.2	5.5	3.5
RTI (NI 180)	9	8.83	5.11
New Claims Processed in 14 days	95.6%	96.7%	97.78%
Percentage of Overpayments collected – in year	76.10%	89.75%	73.45%*
Sanctions per 1000 caseload	5.9	6.2	6.3

* impacted by some very large fraud overpayments identified and raised







But excellence is not just about P.I.s?

A fundamental part of demonstrating excellence is the results of customer and stakeholder satisfaction and the service up to 2007 issued the its best value survey "en bloc" in line with the Divisions consultation strategy. The last results that allowed benchmarking to be undertaken are shown overleaf which showed the Council was held in very high regard. Since that date our performance and offer has improved and were we to repeat this exercise it is highly likely that even better results would be achieved. Since 2007, the division has continued to issue surveys to stakeholders and customers alike both via the telephone, post and exit polls which indicate very good satisfaction in the services provided and comments have been made by landlords, government agencies and housing associations "that the service and the staff are the best they deal with".

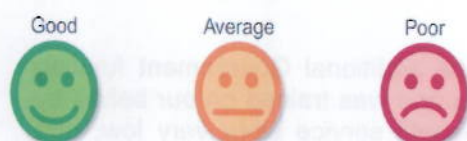
Since June 2009, the service implemented the Gov Metric customer satisfaction software to track satisfaction across its face-to-face, telephone and web channels and these have consistently shown the service is providing the highest level of service. Where scores less than good were given, there is a very strong correlation to cases where customers have not qualified.

Although we have a contact centre that deals with frequently asked questions, we have an ethos of personal contact over letter wherever possible and a named officer stays with the claim should there be a need to follow up any information. This promotes ownership of issues and one point of contact for the customer.

Summary of Benefit Customer Satisfaction Surveys for 2006/07

	NWBC	Stratford	Rugby	Nuneaton	Warwick	Coventry
Measure – satisfied With	Strongly Agree or Agree (SAA)	SAA	SAA	SAA	SAA	SAA
Ways to contact	87%	79%	85%	84%	79%	73.30%
Visiting experience	85%	78%	78%	79%	80%	75.20%
Telephone Service	87%	70%	76%	71%	67%	70.10%
Staff in benefits office	88%	81%	83%	83%	82%	Not supplied
Form	72%	63%	65%	67%	64%	62.90%
Speed of service	85%	70%	76%	78%	74%	Not supplied
Overall, taking everything into account	88%	79%	82%	83%	81%	76.2%

We will share our Gov Metric reports with the inspection team should we be successful in receiving an inspection visit.

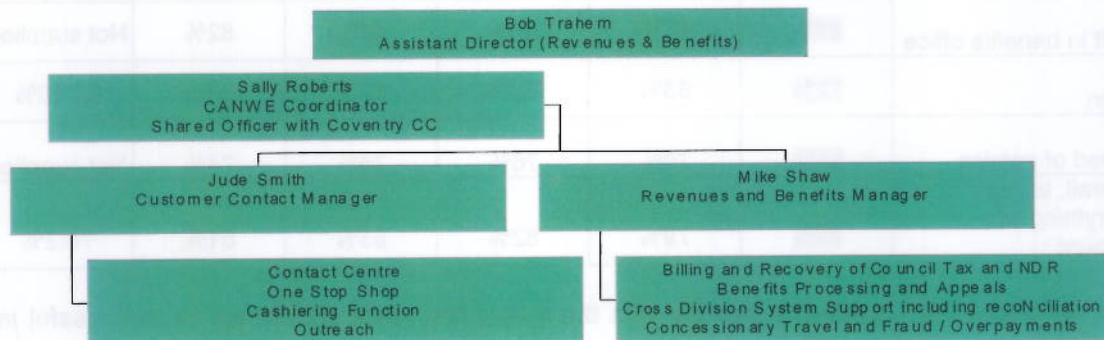


External Recognition

We continue to receive very positive audits across the service with only minor changes, if any, being recommended to claims despite what we have proven is a very strict audit regime demonstrating no flexibility. The service is very highly regarded by our Members, Chief Executive and most importantly our customers and stakeholders who recognise the work of the division and its contribution to wider corporate agendas which has developed into some extensive financial inclusion work, outlined in greater detail in our Social inclusion submission.

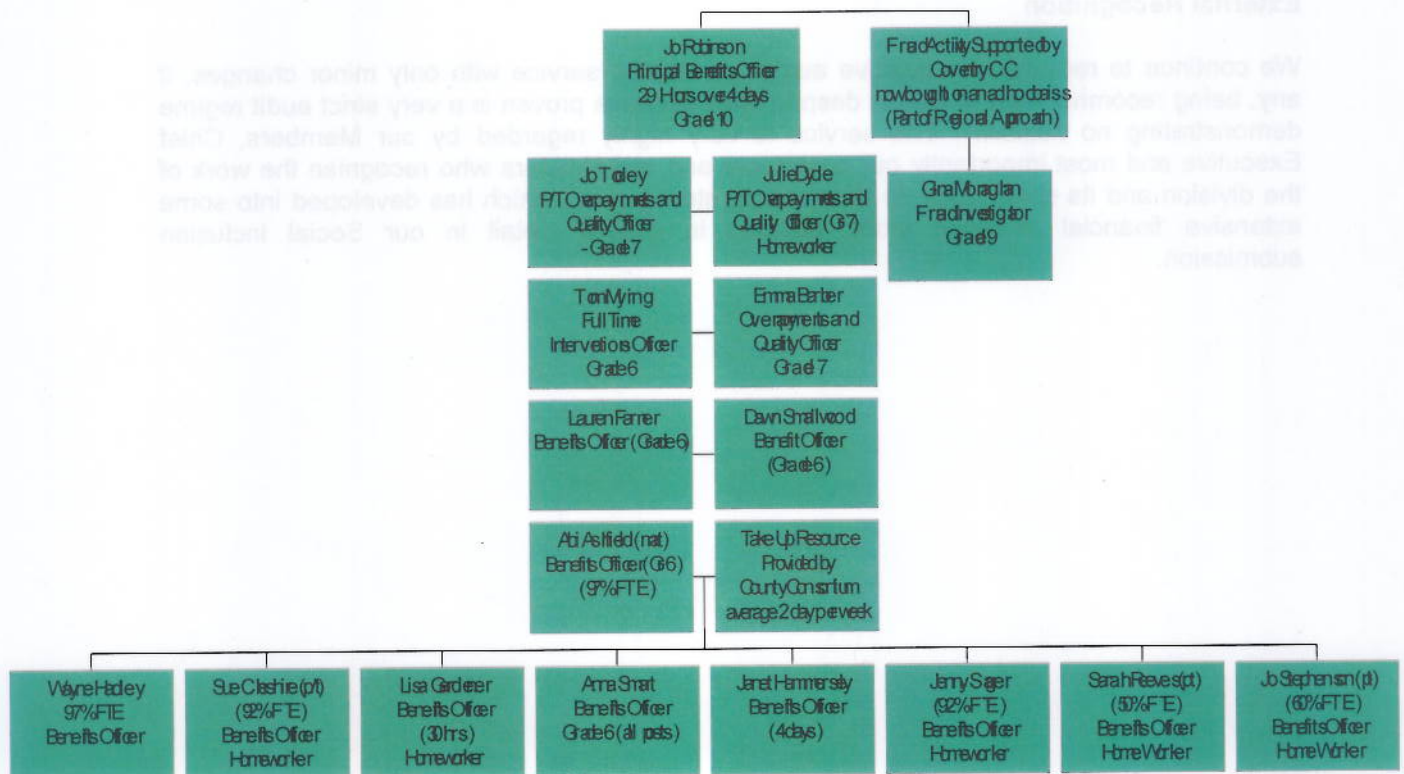
How is the Team Managed?

A copy of the divisional management structure and benefits staffing structure is shown below. The administration of the Benefits service is undertaken by 15.4 full time equivalent staff responsible for the verification, processing and customer enquiries relating to 5,234 Council Tax and HB claims. Jo Robinson, an IRRV technician member with 10 years experience, manages the team. Based on recent benchmarking and the shared service feasibility study undertaken in 2007, we know that the benefit service is operating a high quality of service at average benchmarks and from Audit Commission data, is a "below average cost" service.



The Benefit Structure

We did recruit two new benefit officers as a result of the additional Government funding made available in 2008, one of whom was new to benefits and was trained on our behalf by Coventry CC. During 2009/10, sickness levels in the benefit service were very low, and considerably less than the Council or National average.



What makes the Service so good?

The Benefits, Revenues and Housing teams sit in the same open plan office ensuring excellent liaison arrangements between them in coordinating liability changes and claims administration. In addition, the benefits, overpayment and appeals, and fraud staff work very close together ensuring a coordinated approach to the sharing of information, and knowledge which is a very unusual arrangement. This is possible because of the size of the Council but it does provide a seamless approach to the customer who receives a true "tell us once" service. Similar liaison arrangements exist with the recovery of benefit overpayments between the benefits team, and recovery team in determining the most effective means of recovery.

Regular meetings are held in the Division on a fortnightly basis attended by all staff including the homeworkers to discuss cross divisional issues, review outstanding workloads and monitor progress on projects and p.i.'s. The Assistant Director holds a four monthly presentation to all staff presenting an overview of performance and service improvements as well as corporate issues impacting on the division. He, and the 2 senior managers in the division also meet on a regular basis to review service and strategic issues having developed into a team where skills are complimentary and management style is based on trust and professionalism over control and process.

Our Management Approach

In summary, our style is "hands on", about "leading from the front", organising our view of the future and taking people there. Both senior officers who are directly involved with delivery of the benefits service are IRRV corporate qualified and all supervisors across the service are technician qualified.

This management ethos has allowed us to provide resilience and support particularly at busy times and enabled us to achieve upper quartile performance across the whole service.

Set out the main qualities of your Team (include details of how standards of service are being raised).

Experience and Expertise

The benefits section has a very low level of turnover in staffing terms (only two people have left in the last four years and these because of promotion to other Councils).

Of the 20 staff (or 15.05 fte) employed in the Benefits/Systems Support service, all but 2 have over 5 years experience and 11 have worked for North Warwickshire for over 10 years. This has given the service great stability and as many live in the immediate area, a huge sense of personal ownership. To achieve resilience, reduce sickness levels and provide work life balance, 11 of the staff work part-time hours with 5 of them working permanently from home, an arrangement in place for the past 5 years with the oldest homeworker in place for the last 7 years. This is also supplemented by a dedicated visiting officer & some of the benefit officers who are "office/field based" since we have been live with tablet technology. They will always "go the extra mile" and always place the customers interest before their own.

A "One Team" Ethos

The ethos of "One Team" is one to which we are totally committed and is the key reason behind our major success story in recent years in a service that "truly hits above its weight". Our success has been built on creating a "status free environment" where as important as supporting and leading from the front is the empowering of staff to seek out opportunities and work closely with and across traditional functional boundaries within and outside the service. This has enabled us to offer joined up services improving the whole customer experience and we can demonstrate many examples where this approach has resulted in the team driving through and involving others in change to the benefit of all. This is reflected in our very high customer satisfaction ratings and the National recognition we have received as a service. We clearly demonstrate that there is no "I" in the word "team".

Thinking outside the Box and Organisation

As well as encouraging staff to undertake personal development through study and in house opportunities, staff are keen and encouraged to develop external networks, look for partnership opportunities and seek opportunities to bid for external funding. This takes many different forms;

- Officers attend the user groups run by our software suppliers.
- Understand the need to work positively in partnership with both the public/private sector
- Work with colleagues in other Councils on joint projects. This usually involves us taking the lead on projects and picking up additional work for the common good particularly when working with the other Warwickshire Councils.

Working Hard but Having Fun

As well as working hard, we like to have fun and let our hair down. We have been involved in "customer service week", "red nose", "cake days" and other outside activities (e.g.) organising the corporate xmas party including providing the entertainment with our very own Girls Not Aloud and compering the staff awards scheme, that have all raised money for the Mayors charity.



Girls Not Aloud – 4 Benefits staff and one NDR officer at staff xmas party

How are we raising the standard?

Our service is about the team, our “can do” culture and our professionalism/knowledge of the marketplace and whilst money helps, it is not the key factor as has been proven by our excellent performance in recent years. We are not a wealthy Council and everything has to be done at “neutral” or “on invest to save” principles. Whilst DWP funding has helped, most of our success can be attributed to the team embracing and championing that change is inevitable to keep our position as an excellent performing Council. Our desire to improve is best evidenced by always seeking to make the service better and cheaper demonstrated by us challenging our approach and service and each year adopting a very full service plan.

In terms of delivering the Council's many aims we are making a significant contribution to issues surrounding health and well being, and alleviating poverty by our proactive activities via joint promotional work with the county council, the water board, the CAB and Credit Union to raise awareness of both local and welfare benefits and through working as one Management Team in delivering the best customer responsive services via the corporate contact centre, one stop shop and BOB initiative. This is enabling us to cut across the two-tier Local Government system and provide access to many complimentary services around benefits with the one key aim of raising our already very high levels of customer service to which we are committed. This contribution is acknowledged and recognised by our members, Chief Executive, Government Departments and most importantly, our customers.

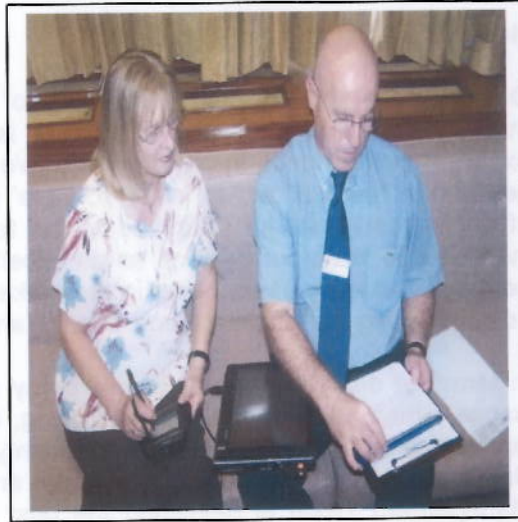
Take Up Activity - Promoting Benefits and other related schemes

For many years, the service has been very proactive promoting take up of Housing, Council Tax and other welfare benefits by a number of targeted campaigns which we have delivered via various databases and information to targeted information. This has seen us working with children centres, the local schools, colleges, the PCT and a number of third sector and private partners including the water board to promote not just our benefits but a wide variety of key information around health, housing, debt and fuel poverty. This has supplemented activity in the media and radio interviews.

We have attended a wide variety of roadshow events, surgeries, fetes and high profile events in the North Warwickshire area very often accompanied and delivered under the B OB brand.

Since 2005/06, we have commissioned officers initially funded by successful DWP bids, and more recently County Council funding after a successful bid to deliver countywide take up work coordinated through officers directly employed by Warwickshire Welfare Rights, with whom we have developed excellent working links. They work to a take up strategy agreed by all the Warwickshire Councils which we led and our campaigns involve us using data from a variety of sources to specifically target key groups. This year we will be focusing on carers and disabled people as well as undertaking some major work in promoting the Saving gateway from the summer inwards. In 2009, we worked with our local Water Board and Credit Union via mail shots and school coordinators to get key messages out about specific schemes available and the child benefit changes encompassed in a 12-page family friendly fact book covering a wide range of other useful information.

In respect of old age pensioners, we placed adverts on buses and issued 12 page booklets to all people qualifying for assistance with travel via our concessionary travel database.



Our visiting officer Tom helping a customer



Family Friendly booklets issued in November 2009 gets the seal of approval from Helen Goodman, DWP Minister



Our BOB partners, Credit Union, CAB and college at one of our regular road show events

Loan Shark – Water Board campaign in 2009

The increase in our caseloads and case studies we have taken indicate that this approach has been hugely appreciated and well received.

To address the issue of restricted face-to-face access to the service outside Atherstone, a number of initiatives undertaken with the CAB, DWP and Warwickshire Welfare Rights have continued throughout 2009/ 10 resulting in benefits staff being available to give advice and guidance at organised events held in various outreach locations. A number also volunteered and have supported the visiting officer by seeing people in their homes using tablet technology. Staff have also played an active role in our Customer Service Weeks and Dickens Night which has involved taking market stalls, working with library staff and "hitting the streets on the BOB bus" to spread the word, and galvanising other Council divisions to get involved which has received excellent publicity in the local media.

In the Councils one stop shop we are an accredited outlet for the Credit Union and Pension Service and are able to provide advice and process claims on behalf of a number of agencies via our shared CRM. We can validate information for entitlement to free school meals, identify and processing applications for the blue badge disabled scheme, for low level social services support and other supporting people activities



Promotion of the Service

Whilst negative publicity about the service in the media has not been an issue, the service has worked hard to promote itself both through regular articles in its corporate magazine, through the talking newspaper, on which a number of the staff are regular readers, through mailshots (e.g.) benefit take up campaigns and some very positive media coverage, both locally and nationally, in recent years. Staff are happy to "do whatever is necessary" to ensure the message of "identifying and providing help and support" is easy to understand. In summary, staff are proud of the services that they deliver and want to be associated with success.

The BOB service with "Bob the Driver" (right)



Promoting the service on the BOB bus, in schools, at fetes, in the libraries with Housing, Customer Services and Environmental Health colleagues.



Outline any training initiatives / initiatives undertaken by the Team in the last year

The Council places considerable emphasis upon the training and development of its workforce, which is coordinated through a corporate training programme following staff appraisals.

Staff Appraisals & Personal Development Plans

Each member of staff has an annual appraisal every year where training needs are identified. These discussions not only involve the identification of training and development needs but also on the way that the service is evolving and how staff contribute to the delivery of the service which feeds into delivery of performance improvement.

Ongoing training is delivered via our partnership with Coventry City Council who provide system specific and technical training together as well as the new trainer programme. They also provide us with circular updates and we have plans in place to review and align policies in 2010/11 as one of a number of joint projects that will see staff from both sites work closely together.

NVQ Technicians Qualification

During 2006/07, we became an accredited NVQ assessment centre. We currently have 3 staff nearing completion of their qualifications. 2 other staff have attended college and are taking exams this summer and both our senior managers are tutors on the course.



In our Benefit service, we have 2 corporate qualified members of the IRRV (by exam), and 2 technician members (by exam). With the above 5 people, this is nearly 40% of the staff who are demonstrating their personal commitment to seeing our service as more than just a job.

Sharing Ideas and Learning From Others

The Council is a subscriber to the IRRV West Midlands forum which is facilitated by the Assistant Director and staff from all levels are encouraged to attend meetings where considered appropriate externally and with key stakeholders. Staff are actively supported and encouraged to attend local association meetings and we have two people on the West Midlands Association Executive. We support the Benefits, Fraud and Annual conferences and meet at both Service Head level and Assistant Director level on a regular basis that has enabled the many joint initiatives to be put into place with the following Councils as shown below.



We also regular host site visits and have been contacted and shown over 30 Councils our operation in the last 18 months.

Explain any innovative administrative or service delivery initiatives undertaken by the Team in the last year

The Service has delivered many new initiatives in line with its service plan over a number of years that have led to its current success and reputation. Spending on new projects or service innovations have to be justified and backed by a business case, and be done at neutral or a cost saving on the baseline budget with the Council requiring Divisions to seek external funding where possible. This is an area that the Division have been very successful and in 2009 again drafted winning bids to the DWP, DCSF, LPS and County Council forum teams in the last 12 months for its own, community and countywide initiatives. It does this itself without corporate help.

Contributing to the Service Success

Staff at all levels of the benefits service have contributed significantly to the services ongoing success both on internal and on cross-divisional projects.

This has led to major improvements in the service around ICT, process and efficiency and efficiency gains on top of the innovative and proactive work to alleviate poverty in ensuring benefits and help are maximised. This approach achieves our key aim, which is ensuring our customers receive the best and most joined up service possible quickly and at the lowest possible cost.

Our service plan outlines these commitments to deliver corporate, LAA as well as divisional targets available if needed.

hartlepool borough council

Excellence in Social Inclusion 2008

Submission by Hartlepool Council's
Revenues & Benefits Team



obtaining,
gaining,
& sustaining



Revenues & Benefits Team

'Hartlepool - Hosting the Tall Ships' Races 2010'

Introduction

In 2006, Hartlepool Borough Council's Revenues & Benefits Teams were both successful in reaching the final stages of the Team of the Year Awards. We were delighted with this achievement.

Throughout both submissions we touched on the excellent work we are doing in breaking down barriers and taking our service out into the community.

In this joint Revenues and Benefits submission for the Excellence in Social Inclusion Award - we will detail how we have built on this work and how, as an integrated service, we are reaching out to vulnerable and underrepresented groups in an attempt to maximise income and reduce indebtedness.

In this submission we will demonstrate how:

- closer working with partners has led to the development of a cohesive, integrated service that reaches out to disadvantaged residents;
- our community engagement projects echo the Government's 'No Wrong Door' approach in identifying the needs of the 'whole' family;
- breaking down barriers by re-engineering service delivery has made our service more accessible;
- empowering front-line staff has helped to 'plug the gap' between policy and the reality of service delivery.

We believe that Hartlepool Borough Council is a strong candidate for the Excellence in Social Inclusion Award – and if successful, we relish the opportunity of helping to raise the profile of Social Inclusion principles nationally.



Background

Hartlepool lies on the North East coast at the eastern end of the Tees Valley and is the smallest of the four unitary authorities created by Local Government Reorganisation via the abolition of Cleveland County Council in 1996. The Council serves a population of 91,200, with a small ethnic minority of 1.2%.

Historically, Hartlepool's economy was based on the port and coal exporting trade, which led to the rise of iron and steel, shipbuilding and engineering industries in the Borough. When these industries went into decline, Hartlepool was hit particularly hard. In the mid 90's unemployment soared to 15% with over 6000 people out of work.

In the last ten years Hartlepool has undergone a notable and very visible transformation, mainly due to its' success in attracting regeneration funding and private sector investment. Hartlepool has still managed to maintain its' port facility, but now also boasts a modern marina, a revitalised town centre and a wide range of retail facilities.

However, there is still much to do.

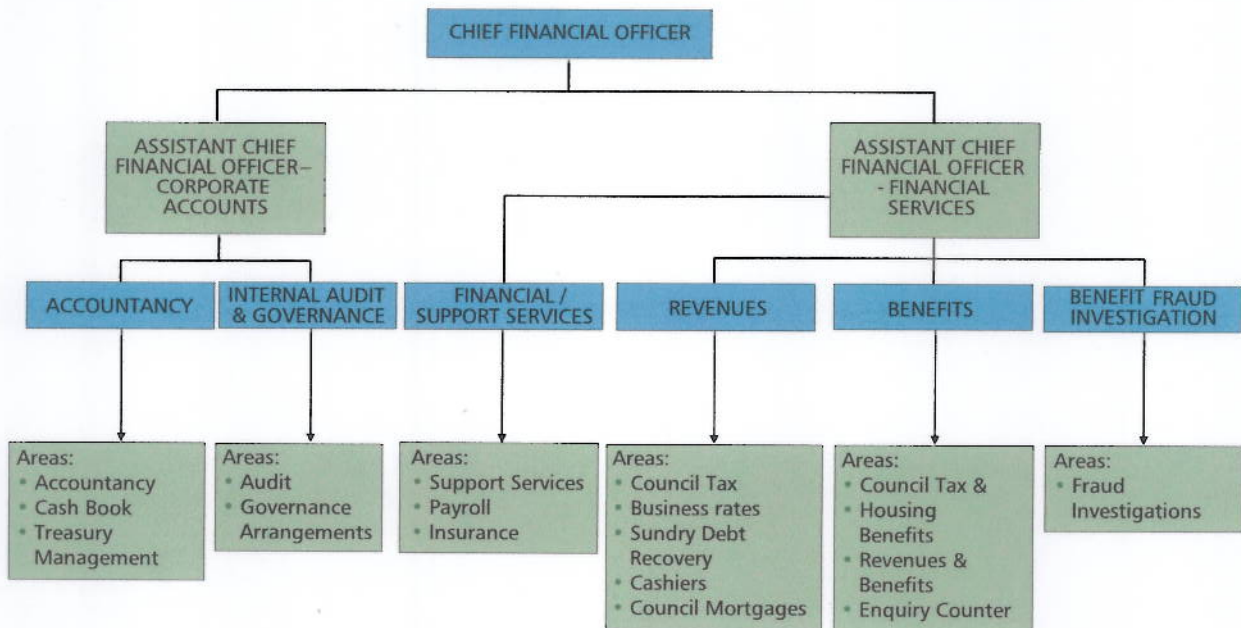
Poverty is a harsh reality for too many residents in Hartlepool. The Borough was ranked 23 out of 354 Councils in the 2007 index of multiple deprivation, and whilst unemployment has more than halved in the last 10 years, it is still one of the highest in the Tees Valley at 4.3%.

Hartlepool's unique combination of economic history and community characteristics has resulted in some challenging and demanding community needs – and it is these needs which are the inspiration of the Revenues & Benefits Team.

Who we are and what we do.

The Revenues & Benefits Team is responsible for the administration of council tax and business rates for approximately 41,500 domestic and 2,500 commercial properties, and the assessment and award of Housing and Council Tax Benefit for 13,000 residents. Also falling within our remit is the responsibility for investigating cases of Benefit Fraud, the recovery of the Council's Sundry Debt Invoices and the coordination and management of the Council's central cashiering function.

The Team sits within the Finance Division of the Chief Executive's Department and is headed by the Council's Chief Financial Officer. Overall management responsibility for the Team lies with the Assistant Chief Financial Officer (Financial Services), who in turn is supported by two functional Revenues and Benefits Managers, as well as a Support Services Manager.



The Team's strategic direction and activities are largely cascaded from the Chief Executive's Service Plan, which sets out the Departments overarching objectives and reflects the keys themes contained in the Council's Community Strategy.

Our contribution to the Chief Executive's Service Plan highlights the commitment of the Team to achieve year on year performance improvements, whilst at the same time identifying service delivery initiatives that complement and support the Council's overall long term vision:

'Hartlepool will be a thriving, respectful, inclusive, healthy, ambitious and outward looking community, in an attractive and safe environment, where everyone is able to realise their potential.'



Benefits Team with Charter Mark Award

The Team's Performance

Over the last 6 years we have worked hard as an integrated service unit to remove barriers to high levels of performance, by investing resource into reviewing procedures and identifying efficiencies. The fruit of this systematic service challenge is the continued year on year improvement in our key best value performance indicators:

BVPI	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Council Tax Collection	93.5%	94.6%	95.7%	96.4%	96.7%	96.9%
Business rates Collection	98.1%	98.4%	99.4%	99.8%	99.2%	99.5%
New Claims processing	49.15 days	50.95 days	39.82 days	23.7 days	26.16 days	24.9 days
Changes in circumstances processing	15.86 days	13.76 days	18.85 days	7.2 days	6.82 days	7.31 days

Performance against these indicators is tracked closely on a weekly basis and presented to our Portfolio Holder via a quarterly report.

However, as a front line service that interacts with customers on a daily basis, we know that the majority of residents are ambivalent about our performance achievements. We recognise that our customers want a service that is responsive to their unique needs and requirements. To complement these performance targets we have therefore developed a basket of indicators that focus on customer service standards. Our performance against these indicators is monitored on a quarterly basis.

Local performance indicators	2005/06	2006/07	2007/08
Respond to 95% of correspondence within 10 working days	89.2%	84.4%	94.5%
100% of telephone calls answered by a named member of staff within 3 rings	97.3%	99.4%	98.42%
Utilise 100% of the DHP allocation within the financial year	Not monitored	£30.05 remaining	£135.56 remaining
Process 95% of DHPs within 10 working days	90.7%	94.4%	93%
Customer waiting time - average of 7 minutes	5 mins	5.25 mins	5 mins

Local performance indicators	2005/06	2006/07	2007/08
Arrange for a home visit within 5 working days	91%	87.5%	100%
Process 95% of requests for reconsiderations with 10 working days	76%	88.2%	83.33%
Process 95% of refund requests within 7 working days	81%	97.3%	96%

In recognition of these high service standards, the Benefits Team was awarded a Charter Mark in 2005, and has been successful in retaining the award each year since.

The Drivers behind our Social Inclusion Work

Like many services, the Revenues & Benefits Team was subject to an internal Best Value Review in 2002. The Review resulted in the creation of two distinct teams. The previously independent business rates, cashiers, and recovery and enforcement teams were grafted on to the council tax function to create a distinct Revenues Service Unit. The remaining part of the 'old' team refocused its' attention to creating specialist teams covering new claims, changes in circumstances, reviews and counter enquiries, all under the umbrella of the Benefits Service Unit. Independent Fraud Investigation and Support Services Teams were also formed by the Review.

Inevitably, as with any major change, staff experienced a difficult period of re-adjustment and as a result performance standards deteriorated across both Teams.

As a management team, our principal remit during this period was to improve performance. We embarked on a systematic review of practices and procedures that removed areas of duplication and waste. By streamlining routines, the billing, recovery, and benefit assessment processes became faster, smoother and more effective.



Revenues Team

But at what cost?

We were inundated with complaints during this period. In-year taxation collection performance was rapidly improving, primarily as a result of a barrage of recovery and enforcement documents. Accounts were being passed to the bailiff in a much shorter timescale, but little was done to check the circumstances of the debtor to ensure the action was measured and appropriate.

Benefits processing performance was also beginning to improve but little was being done to help customers navigate their way through the complicated application and assessment process. Claims were being closed down because customers were failing to respond to requests for information. Requests for back dated claims increased as a result, as did the number of overpayments.

It soon became clear that we were not addressing the fundamental problems in the processes; we were just moving the problems away from the areas that were closely scrutinised into other workstreams.

Inevitably, our frontline staff bore the brunt of these complaints. Restricted by 'black and white' procedures and unable to respond appropriately to the individual hardship cases they faced on a daily basis, they felt frustrated and powerless.

During this period our relationships with CAB and other local advice and support groups hit an all time low. Our only interaction with these groups was via correspondence on individual cases that were either caught up in the final stages of enforcement or appealing against benefit assessments. Our perception of these organisations at the time was that they were primarily trying to frustrate recovery and enforcement processes. They appeared all too willing to voice criticisms of our working practices rather than encourage claimants to take responsibility for responding to requests for evidence to support their claims.

In a town where deprivation is a real issue, this clearly had to change.



Civic Centre, Hartlepool

The catalyst for change

In response to pressure from Central Government, we had been tasked by our Elected Mayor and Cabinet Members to lead on the development of a Corporate Debt Policy. We saw this as an excellent opportunity to involve our partners and stakeholders in an attempt to develop a more constructive relationship. We were confident that through 'education' of our working practices, they would be more understanding and less critical of our service.

The first meeting took place in February 2004 and included representatives from Housing Hartlepool (our largest RSL), CAB and West View Resource Centre, a local advice group. The group's remit was to develop closer working and ultimately produce an Anti-Poverty Strategy document.

That first meeting whilst confrontational, was very productive.

Two main issues were identified during the meeting.

The first was that as a service, we clearly had no understanding of how the residents of Hartlepool perceived 'debt'. We considered debt to be a problem - but they saw debt as a way out of a problem. As a service we needed to be more aware of the problems that individuals faced, before we could set about providing financial management education to minimise indebtedness.

The second issue and perhaps the most challenging was the fact that residents felt unable to approach Revenues & Benefits for help and advice. We were criticised for our bureaucratic procedures. Decisions that ideally should be made at the front line by staff dealing with the customer were being lost in the hierarchy. Too many different members of staff were involved in individual cases, making it difficult for the customer to speak to the same person twice. As a result, it appeared that no one would accept responsibility until a problem was escalated to a line manager.

That initial meeting became the catalyst for change.



Taking Revenues & Benefits out into the community

Joint working

Joint working with community groups, local agencies and organisations is now a fundamental feature of our service.

Our first step in response to those early criticisms was to appoint a dedicated Money Advice Liaison Officer. Based in the Recovery Team, her main role is to receive referrals from internal sources and partner organisations, of individuals experiencing genuine hardship. She reviews their benefit entitlement and eligibility to other welfare benefits, and amalgamates the debts owing to the Council and Housing Hartlepool, acting as a broker between the parties in agreeing arrangements for payment. She also acts as a point of contact for the CAB and West View Resource Centre in providing up to date information on individual cases caught up in the benefit assessment process or the recovery and enforcement cycle.

Primarily as a result of the success of this role and the Council's increasing commitment to Social Inclusion, we were invited to join Hartlepool's Financial Inclusion Partnership. The Partnership was established in 2005 in response to stakeholder concerns about financial and social exclusion in Hartlepool. Its' remit is to support people to be more financially literate, to facilitate effective arrangements for providing advice and guidance to those in need, and to develop effective banking arrangements through the Credit Union. The Partnership is comprised of a number of organisations and agencies including the Council, the Credit Union, Housing Hartlepool and New Deal for the Community.

The Partnership has provided us with an excellent opportunity to cement relationships with partners and key stakeholders and become involved in community initiatives. Through this group we have also been able to share our resources and expertise with voluntary organisations supported purely by national and local funding streams.



Hartlepool Financial Inclusion Group - Tackling the problem of loan sharks

In 2007, as a Partnership we were successful in assisting the Credit Union to bid for support from the Growth Fund monies, which enabled the union to increase the volume and value of loans available. More recent contributions to the Partnership have included our staff processing applications from Credit Union members for DWP loans.

We have also made the most of our networking links by arranging joint exhibitions of our services with partner organisations and the Pension Service. These exhibitions have taken place in the local shopping center, central library and other community venues. Whilst being praised for being informative, they have also proved to be an effective method of breaking down barriers and making the service more accessible to members of the public.

Through our networking activities, we have also forged a reciprocal relationship with the Cleveland Fire Authority's Community Engagement team whereby staff promote the availability of services from both organisations.

We have also recently agreed to provide LHA training to Cleveland Police so that they can consider the implications of the introduction of the new scheme and how it will impact on their resources.

Community engagement projects

Following the success of the Money Advice Liaison role, we believed there would be similar value in appointing a dedicated team to work closely with landlords in Hartlepool. The Benefits Liaison Team, introduced in 2004, was initially funded through the ODPM's voluntary landlord accreditation pilot scheme. The Team consisted of two members of staff and had the general remit of building links with local landlords to improve housing standards in the Borough. This remit naturally progressed into the establishment of our quarterly Landlord Forums, which proved to be a useful vehicle for the Council and other partners to disseminate information.

Although funding for the Team ceased in March 2005, the Council agreed to continue supporting the initiative from its' own resources.

The Team's role has now developed beyond recognition into a valued resource in Hartlepool that obtains and sustains problematic tenancies, particularly where there are disaffection issues. The Team also supports groups within Hartlepool that are tasked with attempting to reintegrate individuals back into the community that have become dependent on supported environments. More recently, the Benefits Liaison Officer has attended meetings at the local prison in an attempt to broker tenancies for ex-offenders.

During 2005/06, in recognition of the way the service was engaging with the community, we were invited to contribute to the Council's second Local Public Service Agreement. We submitted a programme of work that focused on raising awareness and encouraging take-up of council tax reductions amongst 'vulnerable' groups. The submission was successful and funded the appointment of a dedicated Community Engagement Officer in May 2006, whose remit was to forge links with community

groups supporting vulnerable residents and increase the take-up of disabled band, carers and severe mental impairment reductions.

Through numerous promotional events and initiatives, take-up of the reductions has increased dramatically; disabled band reductions by 48%; carers reductions by 234%; and severe mental impairment reductions by 78%.

The role has now evolved to work alongside and complement the Benefits Liaison Officer role. Currently, both Officers are involved in providing a training course over a 10 week period to carers and health care workers in Hartlepool. The courses focuses on the availability of the various types of benefit and council tax reductions, and the difference the workers can make to the lives of the vulnerable individuals they care for in signposting or referring them to additional support.

These Officers see first hand the problems individuals experience and have made it their business to investigate and identify different other sources of help available. With our support individuals have been successful in receiving help from the Anglian Waterboard's hardship fund and grants for white goods from the Greggs Trust. Through our referrals to Warm Front a number of individuals have also benefited from full central heating, free loft insulation and cavity wall insulation.

Our reputation for supporting vulnerable individuals is now so well known and trusted that organisations offering specialist support for drug and alcohol dependencies, and mental health issues now accept direct referrals from these Officers.

Underpinning our Community Engagement work has been the existence of our Customer Panel. The Panel, which has met on a six monthly basis since 2004, is made up of representatives from other community groups in Hartlepool. It has been valuable in providing a steer on how to promote the Revenues & Benefits Service in general, and more specifically, how to increase benefit take-up in underrepresented groups.



Joint exhibition in the Town Centre

Re-engineering service delivery

In support of our social inclusion principles, we have adopted new working practices to ensure our service is accessible to all and that we maximise opportunities to promote the availability of benefits and council tax reductions.

Our most notable achievement in this area has been the introduction of wireless technology to support a mobile benefit service. Visiting benefits officers are equipped with wireless tablet PCs, allowing them to process benefit applications in claimants' homes or other community venues. Digital cameras also enable the officers to collect and verify evidence at the time of the application. Provided all the supporting evidence is available, the benefits officer is able to provide the claimant with an indicative benefit amount at the end of the process.

Clearly, the introduction of mobile benefit assessments has helped to improve performance through the reduction of processing times to 24.9 days for new claims and 7.31 days for changes in circumstances. However, and more importantly, our benefits officers are meeting claimants in their own environment, building a relationship and gaining an understanding of the problems they face.

The introduction of formal outreach surgeries held in the community has reinforced this 'face to face' approach. With the aid of wireless technology our officers can deal with council tax enquiries, assess claims, and consider requests for backdated benefits and appeals. Held three times a week in the local housing office, our customers are accustomed to, and now fully expect, a Revenues & Benefits presence out in the community.

Encouraging this new 'face to face' way of working has been successful in helping break down barriers. Claimants now have a named contact who they trust to see their claim through to a successful outcome. In turn, our officers feel accountable to their claimants and never hesitate to go that 'extra mile.'

Another fundamental change in our working practices was the introduction of the Internal Bailiff Team in 2006. To an outsider, the introduction of internal bailiffs may appear to be the complete antithesis of what we were trying to achieve. Our bailiffs have however, become central to our social inclusion work.

As a team we have many years combined experience of collecting local taxes and despite the detailed protocols we insisted our external bailiffs work within, we frequently discovered cases where action taken by the bailiffs was completely inappropriate. Our internal bailiffs are our 'eyes and ears' at the post summons enforcement stages. Debtors experiencing genuine hardship who have chosen to ignore reminders, summonses and bailiff warning letters, preferring instead to 'bury their heads in the sand' are identified by our bailiffs and referred to the Money Advice Officer for a review of their entitlement to benefits and any other source of help.

As a result of closer working with our landlords, we have introduced a new procedure for tenants to be referred to our Benefits Liaison Officer at a pre eviction stage, to ensure

that benefit entitlement has been maximised. Many pre eviction cases have been resolved at this stage by either correcting the benefit assessment or helping the tenant make a claim for a discretionary housing payment. This procedure also presents an opportunity for our Benefits Liaison Officer to renegotiate the rent levels with the landlord on behalf of the tenant. Eviction cases that cannot be prevented at this point are referred to our Housing Aid team, who attempt to secure tenancies with landlords that are prepared to relinquish a bond.

By-products from our joint working activities with the Pension Service include reciprocal training for staff on the completion of application forms so that visiting officers from both organisations can complete claims for pension credit and housing benefit during one contact with the customer.

As a result of our close working with the Credit Union to promote their banking service, we have extended our cash receipting facility to enable Credit Union customers to make deposits at the Council's Civic Centre Cash Office.

The introduction of these new initiatives evidence our commitment to making our service accessible to all. This commitment is even reflected in the variety of payment methods we have available. In 2006, in response to Housing Hartlepool's decision to close the majority of their housing offices and stop taking payments, we introduced a PayPoint method of payment that enables customers to pay their council tax at a significant number of retail outlets and post offices across the Borough.

We also offer our customers who prefer to budget on a weekly basis because of their salary or benefit payment arrangements, the opportunity of paying their council tax weekly, by direct debit.

At the other end of the spectrum, we have introduced electronic payments and an e-billing service for customers who prefer to deal with their financial affairs via the web.

As part of our commitment to integrating social inclusion principles in our working practices, all new service initiatives are subject to an INRA (Impact Needs Risk



Benefits Mobile Team

Assessment). The INRA is a strategic process, designed to ensure that as a service, we consider equality and diversity issues during the planning process.

The Revenues & Benefits Service INRA has just been subject to an internal and external challenge. On the whole our service was praised for the engagement work we have undertaken so far. The challenge however, did highlight a need for the service to engage with school and college leavers, and members of the deaf community. We were also asked to provide our information leaflets in a format suitable for the needs of the deaf and Cantonese communities.

Empowering staff

We recognised at an early stage in this change process that our staff would play an important role in 'plugging the gap' between the theory of social inclusion policies and reality of implementation. We understood that as an organisation we could boast a number of well intentioned social inclusion policies but to be effective and make a difference to customers lives, those policies would have to be embraced by staff and form the fabric of their decision making at the front line.

Fortunately, the majority of our staff live in the Borough and therefore have always cared passionately about the problems our residents face. As a result, they welcomed the new approach. However, as a management team, we needed to put into place tools that would ensure that staff were empowered to make decisions during their 'face to face' dealings with the customer.

Mobile working has clearly made an important contribution to empowering staff. By encouraging face to face contact with the customer, staff no longer see a piece of paper - they see an individual or a whole family and recognise the difference the benefit or council tax reduction will make to their lives.

This new way of working has reduced the number of staff handling each individual claim. Now, just one member of staff is responsible for seeing the claim through to its' conclusion. Claimants build up a rapport with the officer dealing with the claim and as a natural progression our staff go that 'extra mile,' investigating other sources of help and support that may benefit the claimant.

Wireless technology is also used to support other areas of work, from property inspection to bailiff and committal work. This ensures our officers working out in the community have all the information they require to enable them to make decisions whilst dealing with the customer in person.

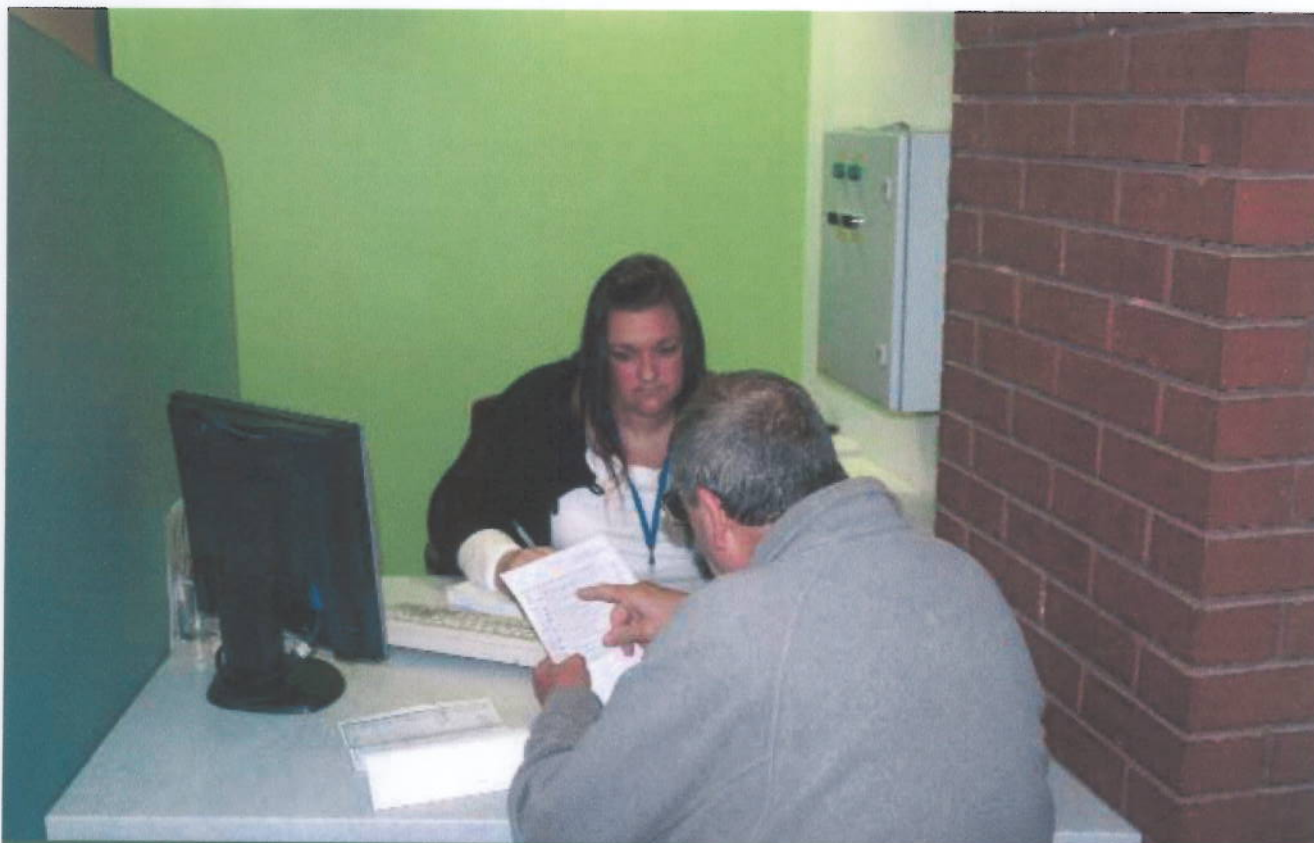
To some extent, by delivering the service out in the community we have raised customer expectations in that customers believe our officers should have a detailed knowledge of all forms of welfare benefits available. In an attempt to fulfill this expectation, we have produced a useful guide to the welfare benefits system, which all our visiting officers, including our bailiffs, carry and refer to when signposting customers to other forms of help.

We have also invested in debt counselling and welfare benefits training, and a number of our officers, including our bailiffs, have spent time at West View Resource Centre, shadowing their staff to gain an appreciation of their work and the problems faced by residents in Hartlepool. This training and cross organisational support has helped them to confidently deal with customers at the front line.

Recognising the relationship between trust and empowerment, a panel of our staff are now tasked with the responsibility of considering applications for discretionary housing payments on a fair and consistent basis. The panel consists of members of staff from both Revenues & Benefits, and the Housing Aid Team.

The production of formalised policies covering our social inclusion work has also helped to empower staff. The Anti-Poverty Policy, provides an umbrella under which genuine hardship cases are dealt with. The policy, which has been signed up to by our partners, formalises the prioritisation of debts and provides guidance on acceptable payment arrangements, allowing staff to make decisions without consulting a more senior officer.

In a similar vein, our LHA Vulnerability Policy, developed as part of a joint working exercise with Darlington Borough Council, provides a framework in which our benefit officers can make decisions about claims that should be paid directly to the landlord.



Our Success Stories

The following case studies demonstrate how the many threads of our social inclusion work 'knit' together to ultimately make a real difference to our residents' lives.

Case Study 1

Mr & Mrs A.

Mr & Mrs A had significant council tax arrears. They had failed to respond to any recovery documentation so accordingly, the account was passed to our internal bailiff team for collection.

During the enforcement visit to the property, it came to light that Mr and Mrs A were full time carers for their disabled 19 year old son who suffered from cerebral palsy. Our bailiff immediately referred the case for a home visit to our Mobile Benefits Team and our Community Engagement Officer. After a review of their circumstances, applications for housing benefit, disabled band relief, carers and severe mental impairment disregards were completed. A small amount of housing benefit was awarded as a result, but more importantly council tax disregards were awarded and duly backdated to their son's 18th birthday. In addition, the PCT confirmed that a wheelchair had been in use the property for the last six years. Disabled band relief was therefore awarded and backdated.

Mr & Mrs A were left with a credit on their council tax account which they used to reduce their rent arrears.

Case Study 2

Miss W.

Miss W was referred to our Benefits Liaison Officer under the Family Intervention Programme. She is an ex-offender with a number of ASBOs and a history of violent behaviour. As a result of rent arrears and a break down in her relationship with the landlord, she was at the point of losing her tenancy.

The Benefits Liaison Officer reviewed her claim for housing benefit and secured a higher weekly entitlement, as well as helping her submit a successful application for a discretionary housing payment. With the rent arrears reduced as a result, the Benefits Liaison Officer worked closely with Miss W and the landlord to sustain the tenancy.

Case Study 3

Miss F.

Miss F made an application for backdated benefit as a result of a break in entitlement. During an investigation into the cause of the break, the benefits officer dealing with the request realised that Miss F had been unable to attend a DWP interview because she had been sectioned. The case was referred to our Community Engagement Officer who after verifying Miss F's mental health issues, was able to backdate a severe mental impairment exemption to the date she became entitled to Incapacity Benefit. We are currently working closely with Adult Social Services to ensure Miss F receives a maximum backdate award for both housing and council tax benefit.

These case studies are the reality of our social inclusion work and echo the Government's 'No Wrong Door' thinking in that an individual should be able to approach any public organisation and be guided to the appropriate source of help.

Future plans

The introduction of LHA has presented an excellent opportunity to further support the work of the Credit Union by helping to develop their banking facilities. The Credit Union currently offers a basic bank account to customers, but unfortunately the account does not support debit card facilities or direct debit payments, both of which we believe are central to encouraging budget management.

However, the Council's bankers, the Co-operative Bank, have now indicated that they are willing to licence the use of their banking software to support more sophisticated bank accounts. The new account will support debit card transactions and allow account holders to set up standing orders and direct debits.

Whilst the accounts will still be managed by Hartlepool's Credit Union, behind the scenes specialist services and technical administration will be carried out by the Co-operative Bank. This arrangement will clearly be of benefit to the key stakeholders such as Council and Housing Hartlepool, as tenants will be encouraged to receive payment of local housing allowance by BACs, directly into these accounts.

Summary

The last six years have been a challenging but rewarding journey for Hartlepool Borough Council's Revenues & Benefits Team.

Whilst undertaking a systematic review of our service to remove any barriers to high levels of performance, we have taken the opportunity to incorporate a rich tapestry of social inclusion principles into the fabric of our day to day working practices. These practices have broken down many of the perceived barriers to accessing our service and helped to provide tailored support packages to the most vulnerable residents in our Borough.

Our most notable success however, is demonstrating that high levels of performance and the adoption of social inclusion principles need not be mutually exclusive.

We are very proud of our achievements so far and the contribution we have made to ***"increasing financial resources within family environments to provide improved life style opportunities"*** for the people of Hartlepool. (Hartlepool Borough Council: Corporate Plan 2008/09)



Hartlepool Marina

Revenues Team of the Year Submission 2006





1 Summary of submission: Revenues Team of the Year

Historically, the collection of council tax and business rates in Hartlepool has been a difficult task. The Borough is renowned for its high levels of deprivation, with 7 out of Hartlepool's 17 wards, falling within the top 5% of deprived areas nationally, with a further 2 falling in the top 5-10%. Yet, despite this background, the Revenues Team at Hartlepool Borough Council has made huge progress in recent years, both in terms of high levels of performance and delivering a service that is driven by the needs and expectations of our customers.

The Revenues Section sits within the Finance Division of the Chief Executive's Department and is responsible for the administration of council tax, business rates and the recovery of the Council's sundry debt invoices. The Section also co-ordinates the Council's central cashing function.

Like many local authority functions, the Team was subject to an internal Best Value Review in 2002. Prior to the Review, the council tax billing and benefits functions had been one multi-functional team, with a separate recovery team, responsible for council tax and business rate collection. The Council's cashing, business rates (billing) and sundry debt functions, formed the Rating & Other Income Section. It is fair to say that the Teams worked in some degree of isolation.

The Review resulted in a major re-structure. The council tax billing team merged with the recovery team and Rating and Other Income Section, to bring together all the threads of revenues services. Importantly though, the new structure maintained the Revenues Section's close links with Benefits Section.

Inevitably, as with any major change, staff experienced a difficult period of re-adjustment to the new working arrangements. Council tax collection dipped from 94% in 2001-02 to 93.5% in 2002-03 and business rate collection remained in the bottom quartile at 98.1% for 2001-02 and 2002-03.

With the adoption of a new structure, the Section embarked on a systematic exercise of reviewing processes and addressing weaknesses in the service. A combination of more streamlined billing procedures, the bringing together of staff with skills in debt collection into one generic recovery team and the introduction of tighter recovery processes, resulted in a dramatic improvement in both council tax and business rate collection.

In 2003-04 with a council tax collection rate of 94.6%, an increase of 1.1% on the previous financial year, the Audit Commission cited Hartlepool as one of the 20 most improved Council's in this field. Collection levels have since rose again by 1.1% to 95.7% in 2004/05, and 0.7% to 96.4% in 2005/06.

Business rates collection has been a similar success story, increasing by 0.3% to 98.4% in 2003-04, and by 1% to 99.4% in 2004-05. With the introduction of the small business rate relief scheme in 2005-06, our collection rate rose again to 99.8%, confirming our upper quartile position.

Clearly, the efficiency with which the Revenues Section collects monies impacts on the Council's financial health and its ability to achieve objectives, so continuing to maximise council tax collection remains a priority this financial year. Importantly however, at Hartlepool we believe that success is not solely about league table positions - but about having a strong commitment to the wider agenda of strengthening communities through tackling poverty and social inclusion.

With that objective always at the forefront of our mind, we have introduced a number of customer focused service streams, which have become an integral part of our business.

Towards the end of 2004-05, we appointed a Recovery and Money Advice Liaison Officer, whose role is to work closely with our partners, identifying customers experiencing hardship. Once identified, customers are dealt with under the 'umbrella' of the Finance Division's Anti-Poverty Policy (**appendix 1**), which details the more sensitive approach we adopt in hardship cases and the debt referral triggers and procedures, to our partner advice agencies.

In May 2006, from funding we received from the Council's Local Public Service Agreement, we appointed a dedicated 'Community Engagement Officer', whose role is to foster relationships with a variety of partners in the Borough to maximise the take-up of disabled band, carers and severe mental impairment reductions.

Given the high levels of deprivation in the Borough and higher than average mortality rates as a result of heart disease, we are justified in focusing resources on these community based initiatives. However, we are also keen to deliver a service that is valued by all our 41,000 council taxpayers and 2,500 business ratepayers. This expectation translates into a service that is efficient, effective and responsive to our customers.

To that end we operate a robust performance management system, which tracks our progress against a balanced basket of performance indicators, incorporating both our best value and 'local' customer orientated performance indicators.

We also continue to review our systems and procedures, maximising technology to reduce our costs and improve our service. In the last year, utilising wireless technology, we equipped our external visiting officers with lap tops, allowing them to view customer's accounts and update the systems databases whilst carrying out home visits and inspections.

We are also proud of the progress we have made in recent years by increasing the numbers of customers paying by Direct Debit, given Hartlepool's levels of deprivation and predominantly cash payment culture. This culminated in Hartlepool being cited as an example of good practice in the Audit Commission's Report 'Improving Income Collection', as a result of our strong performance management arrangements and staff incentive schemes, which ensure staff contribute to driving up Direct Debit levels.

However, we recognise that the introduction of these initiatives would be futile without a team of highly motivated, dedicated individuals to deliver the service. To that end we invest in comprehensive training programmes and ad-hoc training events. We are also leading the way corporately by conducting a pilot for home working, compressed hours and more flexible working arrangements (appendix 2).



2 Our public awards

In 2005-06 Hartlepool Borough Council was assessed as a "4 star - improving well" Authority, under the Government's harder Comprehensive Performance Assessment Scheme. This is the 4th year running that the Council has achieved the highest rating under the scheme.

The Chief Executive's Department, which includes the Revenues Section, achieved Investors In People status in 2000, and has continued to meet this standard during subsequent reviews in 2002 and 2005.

In April 2003 the Revenues Section's cashiering service was awarded a Charter Mark for excellence in customer service. This year the cashiers service was included in the Revenues Section's Charter Mark submission - we hope to receive confirmation of our Team success by the end of July 2006.



3 Current performance

High levels of performance are important to the Revenues Team. Our successes, whether large or small, motivates staff to continually improve the service and reinforces a strong team spirit in the Section.

The 2005/06 financial year witnessed our highest performance levels to date. Performance against our Best Value Indicators (BVPIs) culminated in a top quartile position for business rates collection and an expected 3rd quartile for council tax collection. Unfortunately, this 3rd quartile position for council tax disguises the hard work, determination and commitment of our team in achieving this result.

Collection Rates	Council Tax	Business Rates
2002/03	93.5%	98.1%
2003/04	94.6%	98.4%
2004/05	95.7%	99.4%
2005/06	96.4%	99.8%

However, we recognise that meeting and exceeding BVPI targets only goes a small way to satisfying our customer's expectations. We understand that to be valued by customers we must also provide an efficient and effective service that is responsive to their needs. Our performance management arrangements therefore include a basket of balanced performance indicators, which give equal weighting to both customer service and productivity targets. The arrangements are designed to track our progress against these indicators, enabling dips in performance to be identified and addressed in a timely manner.

Appendix (3) charts our performance levels during 2005/06 and evidences improvements in responding to 'non-urgent' letters (89.2% within 10 working days), 'urgent' letters (99.1% within 10 working days) and updating accounts with information from the Valuation Office (on average less than 3.5 days).

We also know the importance of being open and accountable with our customers, and giving them the opportunity to comment on our performance standards. This is why we publicise our performance, good or bad, each year in the Council's own magazine, which is delivered to every household in the Borough. We also produce an Annual Performance Report 'Working Hard for You' (**appendix 4**), which details performance and service features, available to customers at any of the Council's main enquiry points.

4 Management arrangements

The Revenues Section sits within the Finance Division of the Chief Executive's Department. The Division, headed by the Chief Financial Officer, is made up of two distinct service areas; Corporate Finance and Financial Services. Together with the Benefits Section and the Council's payments function, Revenues Section forms part of Financial Services.

The Chief Executive's Service Plan sets out the Departments overarching objectives and reflects the keys themes contained in the Council's Community Plan. It coordinates the activities of the different 'arms' of the Finance Division and sets out the main divisional themes for the forthcoming year. The Plan also highlights the Revenues Section's commitment to year on year improvement in terms of collection rates by detailing the Section's three-year improvement targets (**appendix 5**).

The Revenues Manager is part of the Revenues & Benefits Management Team, which meets regularly to review performance and determine strategy. Managers from this Team are also invited to attend ad-hoc Departmental Management Meetings to discuss and provide background on pertinent topics.

Information from both meetings is communicated to revenues staff at the monthly Staff Team Briefings, which act as a forum during which give staff can comment on performance targets and contribute to policy development.

The Divisional and Revenues Section's organisation structure are attached at **appendix 6**.

5 Main qualities of the Revenues Team

The Revenues Team is a highly motivated, enthusiastic and committed group of individuals, who have a strong public service ethos. They are accustomed to change and see opportunities instead of threats and turn their weaknesses into strengths.

Each member of staff understands the Section's objectives and the importance of achieving high levels of performance, and they are confident in the knowledge that they are trusted to make appropriate decisions based on customer's individual circumstances.

Staff are actively encouraged to contribute to service developments and policies, such as the Homeworking & Compressed Hours Policy (**appendix 2**). Monthly team briefings provide an ideal forum for staff to comment on performance targets and service issues. We have also introduced a number of incentive schemes where staff are rewarded with a bottle of wine or gift voucher for promoting Direct Debits or making service improvement suggestions.

Many members of the Team still boast detailed knowledge of the benefit regulations, enabling them to deal with many of the associated benefit enquiries during one customer contact.

The majority of the Team live within the Borough and as a result have detailed local knowledge of the Town. Decisions about recovery and enforcement action are made after taking into account issues that are not immediately obvious, such as whether the property is warden controlled and the likelihood that the customer may be elderly.

As a Team we recognise the fact that our customers will only value our service if it is tailored to meet their needs. We can only achieve this by actively encouraging customer feedback through a range of different consultation methods.

Despite the nature of the work, staff from the Section enjoy taking the service out into the community. Together with the Benefits Team, representatives from the Revenues hold exhibitions in the local shopping centre, adopting a coordinated approach to increasing benefit take-up and making customers aware of the various council tax discounts and exemptions available.

Staff also attend Landlord Forums and Community Group meetings to give presentations on the council tax system, the service we provide and the availability of discounts, exemptions and reductions.

During 2004, in conjunction with the Benefits Section, we set up a customer focus group made up of members in the 50+ age bracket, to look at a range of specific issues. This group meets twice a year and has been useful in identifying how to promote take-up of council tax discounts and exemptions to vulnerable groups amongst pensioner groups and the 'comprehensibility' of our advice leaflets (**appendix 7**).

The following methods of consultation with the public were also utilised during 2005/06:

- Satisfaction surveys and customer suggestion cards in Cash Office and Enquiry Area
- Complaints Analysis (**appendix 8**)
- Liaison with the Business Community (through the Local Ratepayer Valuation Forum)
- Providing information about performance targets and standards in the Council's HartBeat Magazine & Performance Report (**appendix 4**)

6 Training initiatives / programmes undertaken in the last year.

We know that our staff are our greatest asset and a crucial ingredient in the recipe of delivering high standards of service to our customers. It is vital therefore that we recognise the contribution they make to the service by allowing them flexibility in their working practices, through compressed hours and home working schemes, and invest in their personal development through comprehensive training programmes.

With that objective in mind, annual training programmes are compiled at the end of each financial year, for the forthcoming year. Training within the section can be categorised into the three service objectives; being responsive to the needs of customers; complying with the legislation; and the development of the skills, knowledge and flexibility of staff.

To ensure members of the Team are responsive to the needs of our customers, staff receive refresher training each year in customer care and handling customer complaints within the corporate complaints framework. For new members of staff, we now include customer care training as part of their induction course.

We also consider the ability to communicate with our customers in plain, clear English, an important part of customer care hence staff receive refresher training in Plain English on an annual basis. This training resulted in a review and improvement programme, driven by staff, of our standard letter templates and customer leaflets. As a result of this training our staff feel more confident about composing their own letters and choose to use their own name on letters, rather than their sectional manager's, which in turn has increased their accountability to customers.



Continued training in changes in housing and council tax benefit regulations further supports our objective of being responsive to our customers. We believe that a unique strength of our Team, and one that we want to maintain, is the fact that revenues staff can still deal with many of the benefits related enquiries we receive.

All our visiting officers have also received Money Advice / Welfare Benefits training and have been issued with a copy of our concise 'A-Z of Welfare Benefits' manual to enable to signpost customers to the relevant welfare benefits. Any customers identified as experiencing hardship during these visits are referred to our Recovery & Money Advice Officer for further support.

Our second service objective 'to comply with the legislation' is met via attendance at a variety of IRRV courses/seminars and the quarterly IPF Revenues Consortium Meetings. Staff attending these courses cascade the information to their colleagues. These courses are supplemented internally by training on new legislation and implications on office procedures. Staff are also encouraged and supported financially to study for relevant NVQ, IRRV or AAT qualifications.

Training requirements to support our third service objective 'to develop the skills, knowledge and flexibility of staff' are identified at an individual level through the preparation of personal development plans during staff appraisals. For example, staff are encouraged to attend the European Computer Driving License (ECDL) course which is held at the local technical college and covers all aspects of Microsoft Office.

Staff feedback from all the training courses undertaken is reviewed and used to determine the effectiveness of each course.

In addition, during 2005/06 the Council invited a training organisation to deliver a Management Development Course to every member of staff with supervisory responsibility. The course, which consisted of a half-day introduction and a two-day training course, was designed to equip managers with the skills necessary to successfully manage change within the Authority. Whilst intensive, the course proved to be very popular with staff in the Revenues Section, enhancing their already flexible attitude to change.

Our 2006/07 training summary is shown as appendix within the Revenues Section's Service Plan attached at **appendix 9**.

7 Innovative administrative and service delivery initiatives

We recognise that, because of the levels of deprivation in the Town it is unlikely we will ever achieve upper quartile position for council tax collection. However, we know that we can secure high levels of collection over the long-term by recognising the needs and problems of our customers and offering realistic payment arrangements based on individual circumstances. By doing so we support the Council's overall objective of strengthening communities. As a result of this strategy, our long-term collection rates are excellent exceeding 99% for both Council Tax and Business Rates.

In support of this strategy and the Council's Anti-Poverty Policy, a Recovery and Money Advice Liaison Officer was appointed to support the work of the Revenues Recovery Team in 2004-05 (**appendix 10**). The Officer acts as a point of contact for members of the public and for the various local advice agencies as well as the largest Registered State Landlord in the Borough, Housing Hartlepool.

Tighter recovery timescales ensure that the Recovery Team distinguishes at an early stage the 'can't pays' from the 'won't pays'. The 'can't pays' are referred to our Recovery & Money Advice Liaison Officer, who, whilst equipped with a wireless lap top, visits the customer at home and reviews their circumstances to ensure that they are maximising their entitlement to benefits. If the customer has complex multiple debt problems they will be referred to one of our partners, West View Money Advice Centre or the CAB, for specialised debt counselling.

Customers adopted under the umbrella of the Anti-Poverty Policy have the various debts outstanding to the Council, amalgamated. The Officer is then responsible for negotiating one repayment arrangement with the customer in respect of the consolidated debt, on behalf of the various Departments. The Recovery and Money Advice Liaison Officer is responsible for monitoring these arrangements and the circumstances of the customer to ensure that the repayment levels remain appropriate.

Last year, this role was instrumental in helping the Town's Credit Union to secure additional Government funding to expand the organisation and appoint a dedicated Advice Worker.

During 2005/06, in recognition of our work tackling poverty in the Borough, we were invited to contribute to the Council's Local Public Service Agreement. We submitted a programme of engagement work with the community, the objective of which was to raise awareness and encourage take-up of council tax reductions amongst 'vulnerable' groups, such as carers, the disabled and those suffering dementia related illnesses.

The submission was successful and funded the appointment of a dedicated 'Community Engagement Officer' in May 2006, whose main role is to deliver the work programme and foster relationships with a variety of partners in the Borough to maximise the take-up of disabled band, carers and severe mental impairment reductions (**appendix 11**). Whilst it's still early days in this programme, initial feedback from both our customers and partners indicate that this role will be valuable in enabling 'vulnerable' individuals to participate in community life, making services more accessible and inclusive.

Whilst these new initiatives are valuable in supporting the Council's objective of tackling hardship and supporting vulnerable groups, we acknowledge they will only 'touch' the minority of our customers. We are very conscious of the fact that the majority of our customers, who pay regularly and rarely contact the Council, also deserve to receive a service that they will value.

To rectify this, we have invested resources in developing E-Services to enhance customer access and choice, making our service more convenient for the majority.

Hartlepool Council, and the Revenues Section in particular, have always embraced new 'customer focused' technology, implementing Anite's DIPS system in 1996 and paperless Direct Debits in 2000. We have also been at the forefront of the Council's e-government initiatives, introducing debit and credit card payments in 2002 and Internet payments in 2004.

In 2005/06 the Council introduced a Community Portal to replace its' dated website. The Portal gives access rights to Officers, which allows news items and information to be placed within the Divisional sites. To extend customer accessibility to information about our service, all our information leaflets for council tax and business rates appear on the Portal, as well as topical news items such as the introduction of small business rate relief.

In addition, following a recent Council consultation exercise which suggested that 61% of residents in Hartlepool have access to the Internet, we introduced a secure web portal service that allows customers to check their council tax accounts on-line, 24 hours a day, 365 days a year. Customers can view the current financial year plus 3 historical years of information as well as instalment plans and any benefit or reductions they have been awarded. The pages also clearly display a series of frequently asked questions (appendix 12).

The service contains key links to related websites such as the Valuation Office, Department of Work and Pensions, and allows customers to download forms to report changes in circumstances or to set up a Direct Debit.

The service also includes a facility to receive bills electronically. Once a bill has been generated the system sends an e-bill notification to the customer, advising that the bill is ready to view. The email also contains a link to the Council's statutory information leaflets.

Customers are also directed from these pages to a payment link to our existing payment portal, thus removing any barriers to making payment.



We envisage that this functionality will encourage a 'self-service culture' in that customers will no longer need to contact the Section with basic queries, such as "Have you received my payment?" and "How do I appeal against my council tax band?" This in turn will generate savings in terms of staff resources that can be directed to the more complicated enquiries.

In the longer term, the e-billing functionality will also potentially deliver significant savings on printing and postal costs. However, we recognised that to deliver these savings we would need to raise our customer's awareness of the existence of this service through an innovative marketing campaign. We therefore approached our colleagues at Bassetlaw District Council for help with this campaign, who are renowned for their imaginative marketing material and their success in increasing Direct Debit take-up. The resulting 'Give your Bill a make-over' flyer (appendix 13) was included with in all the cash payer bills during the 2006 annual billing exercise and attracted over a 100 new users to the service.

During this period we also decided to make the most of our relationship with Bassetlaw District Council and their experience of successful Direct Debit marketing campaigns by joining their consortium of 15 Councils and maximising savings on printing.

Given Hartlepool's predominantly cash payment culture, encouraging customers to pay by Direct Debit had historically been very difficult. However, through a series of charity incentive schemes, whereby the Council makes a donation to nominated local charities for every Direct Debit instruction received, we had been successful in increasing Direct Debit penetration from 12,500 payers (41%) in July 2002 to just over 16,000 payers (51.4%) in July 2005.

That year on year increase in take-up was becoming marginal and we were conscious this year that our 2006 marketing campaign would have to be innovative to maintain the momentum. Bassetlaw agreed to help and designed our marketing material, based on their famous 'Smash Martian' campaign (appendix 14). This resulted in an additional 800 customers transferring to Direct Debit. As a result, 54.6% of our customers now pay by Direct Debit.

8 Main features of the Submission

Hartlepool Borough Council's Revenues Section has made significant improvements in recent years in terms of high levels of performance and customer service.

Through a systematic review of processes, we have increased collection rates by 2.9% for council tax and 1.7% for business rates since 2003.

But our improvement in terms of collection is only half the story. We have also made a concerted effort to support the Council's overarching objectives of strengthening communities by tackling poverty and supporting vulnerable groups, through the appointments of a Recovery and Money Advice Liaison Officer and Community Engagement Officer. These Officers are based out in the community, developing and fostering links with our partner organisations to identify and provide support to vulnerable customers.

We are very proud of our achievements so far and the contribution we have made to improving the quality of life for people in Hartlepool.

APPENDICES

- 1 Revenues & Benefits Anti-Poverty Policy**
- 2 Homeworking & Compressed Hours Pilot Policy**
- 3 2005/06 Revenues & Benefits Performance**
- 4 Revenues & Benefits Annual Performance Report**
- 5 Chief Executive's Service Plan**
- 6 Organisational Structures**
- 7 Customer Consultation Panel**
- 8 Complaints Analysis 2005/06**
- 9 Revenues Service Plan**
- 10 Recovery & Money Advice Liaison Officer**
- 11 Community Engagement Officer**
- 12 Citizen's Account pages**
- 13 E-billing Flyer - 2006**
- 14 Direct Debit Flyer - 2006**