

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE – 24 AUGUST 2005

**Report of Strategic Director (Shirlene Adam)
(This matter is the responsibility of Executive Councillor T Hall)**

JOINT VENTURE ARRANGEMENTS FOR CORPORATE SERVICES OUTLINE BUSINESS CASE – DRAFT 3

EXECUTIVE SUMMARY

This report builds on the first two drafts of the Outline Business Case previously presented to the Executive on 22 June and 20 July 2005. It concludes the initial thinking about which services are proposed to be “in scope”, and outlines the financial case to support the overall business case. It needs to be considered alongside our emerging customer strategy; also to be discussed by the Executive in this cycle. A further report setting out Taunton Deane Borough Council’s and Somerset County Council’s joint vision and ambitions for the project will be presented to the Executive on 5 September 2005.

1. Purpose of the Report

- 1.1 This report provides an update on the work carried out since 20 July 2005 on the future direction of the Council in respect of:
- Customer Access to services and service improvement;
 - Corporate and transactional Services (including Revenues and Housing Benefits).
- 1.2 The Executive is asked to:
- a. Note the further progress made with work on a potential Joint Venture arrangement for the services outlined above;
 - b. Note Draft 3 of the Outline Business Case for the Joint Venture option, which is appended to this report (this includes affordability modelling);
 - c. Consider this report alongside the Council’s proposed Customer Access Strategy, also being reported in this cycle;
 - d. Agree to progress with the Procurement Process to secure a private sector partner for this proposed Joint Venture partnership.

2. Background

- 2.1 At its last meeting on 20 July, the Executive considered a report from Shirlene Adam, Strategic Director that set out the second draft of an

Outline Business Case to support a potential Joint Venture for Corporate Services, in partnership with the County Council and a private sector partner. Draft 1 was presented to the Executive on 22 June. The Outline Business Case presented to date highlights the need and discusses the potential for reconfiguring the way we provide our customer services, and our corporate support and transactional services.

- 2.2 The key strategic and business drivers behind this proposed partnership are set out in the Outline Business Case. The Executive to date has agreed in principle to further progress the work of the Project.

3. Progress Update

- 3.1 Since 20 July, further significant progress has been made to take the work of the potential Joint Venture arrangement forward.

- i. The Officer Steering Group has concluded its work to determine which services should be “in scope” (see Appendix 5);
- ii. The Governance and Project Management arrangements agreed with the County Council are in place and working well;
- iii. The Strategic Director responsible for this project has held a number of further staff briefing sessions, which have been well attended;
- iv. A communications action plan has been implemented, including publication of the first “Briefing” update and the establishment of a Staff Consultation Group;
- v. CMT has endorsed the risk management register produced by the Steering Group;
- vi. Work has been undertaken to produce outline costings for the proposed model of a Joint Venture arrangement;
- vii. Work has similarly been undertaken to produce outline costings for the different business models discussed in Draft 1, that could also potentially achieve the business objectives the Council has specified.

4. Affordability

- 4.1 Submission of Draft 3 is the point when the Executive needs to decide whether the overall business case is robust enough to go ahead with the procurement process to select the private sector partner. Accordingly, a key aspect of this Draft 3 paper is the outline financial case to support the overall business case. Essentially this financial outline summarises what the “in scope” services are costing us now, what the projected (or preferred) future services profile is likely to cost over the life of the contract, and whether our future ambitions are affordable.

- 4.2 Also included in Draft 3 is the estimated cost of procuring external legal and financial advice for the project.

- 4.3 It is important to understand that at this stage it is not possible to produce a fully costed or detailed financial plan. Precise costings will only emerge when potential suppliers begin to set out what can be provided, and how they intend to provide it. If the Executive agrees to go ahead with the procurement process, expressions of interest will be submitted by the end of November followed by a further period for negotiations with shortlisted suppliers between January and March 2006. It is only at this stage that a more accurately costed model will emerge.
- 4.4 The model itself is a complex matrix comprising a number of different variables. In these very early stages of the project, no information is yet available about prospective private sector partners so the financial model has to be based on a set of working assumptions. These assumptions are set out in more detail in the Business Case itself. Advice has been received from the “4Ps” to ensure the robustness of this process, and to ensure that the set of assumptions used is both reasonable and realistic.
- 4.5 It will also not be possible at this current stage of the project to second guess what our emerging customer access strategy is likely to cost. For these reasons, the financial case submitted in the OBC can at this stage only be an outline summary of the projected net benefits to be gained from the partnership and an outline summary costing each of the respective business models.

5. Extent of TDBC commitment at this stage

- 5.1 It is important to understand that starting the procurement process will not commit TDBC to this project irrevocably - the projected contract award would not itself take place until October 2006. If the ensuing procurement process does not produce a partner that suits TDBC’s specifications and requirements then we will reconsider our position in the partnership.

6. New information in Outline Business Case (Draft 3)

- 6.1 For ease – the following table lists the “new issues” in Draft 3 of the OBC.

Section 2.7	Joint visioning between TDBC and SCC
Section 4.2.2	“Better for less”
Section 5.9	Options appraisal
Section 6.2	Attractiveness to market
Section 8.2- 8.4	Affordability
Section 8.5	External advisers – funding requirements
Section 9.*	Project Scope
Section 10.5	Communications
Section 10.6	Staff Consultation Group
Section 12.1	Risk Management
Section 13.1	Members Advisory Panel
Section 14	Next steps

7. Recommendations

7.1 The Executive is requested to:-

- i. Consider the attached Outline Business Case (Draft 3) for the potential Joint Venture arrangement (Appendix 1), and in particular note the affordability model work in Section 8 which sets out the comparative financial cases for all the business model options.
- ii. Approve the continuation of the ISiS Project and to recommend to Full Council (Special Meeting on 5th September 2005) to approve a supplementary estimate from General Fund Reserves of £120k to fund the costs of the external advisors to the next phase of this project.
- iii. Approve the involvement of Taunton Deane Borough Council in the procurement process to seek a private sector partner.
- iv. Request Officers to continue to develop a “joint vision and ambitions statement” with Somerset County Council – for consideration by the Special Executive and Special Council meetings on 5th September 2005.

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Background Papers:-

Executive 24 May 2005 – “Joint Venture Arrangements For Corporate Services”

Executive 22 June 2005 – “Joint Venture Arrangements For Corporate Services”

Executive 20 July 2005 - “Joint Venture Arrangements for Corporate Services”

APPENDIX 1

TAUNTON DEANE BOROUGH COUNCIL

OUTLINE BUSINESS CASE

**STRATEGIC PARTNERING
(JOINT VENTURE PROJECT)**

Draft 3

August 2005

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1. OVERVIEW

- 1.1 The main purpose of this Outline Business Case (OBC) is to set out the business need for the proposed Joint Venture partnering project, and to identify any investment in resources necessary to progress the project. It will also serve as a basis, if appropriate, to develop a more detailed Business Case if the project progresses further.
- 1.2 For clarity, a Strategic Service Partnership is a long-term partnership between organisations that work collaboratively to achieve their respective strategic aims and objectives for delivering services (more commonly known as a Joint Venture).
- 1.3 This OBC is written as a “living” document in that it will continually be updated as new information and data becomes available over the life of the programme.
- 1.4 This OBC relates to Taunton Deane Borough Council although it should be noted that this is a collaborative programme between TDBC and Somerset County Council; consequently there are references at appropriate points in the document to joint strategies and joint outcomes.
- 1.5 Each council is producing its own outline business case for approval by the respective Executives. The benefits of working together are that we will be building on a sound base (under CPA rating Taunton Deane are an ‘excellent’ council and Somerset County Council are ‘good’) to develop a joint customer access strategy and plan, maximize economies of scale and provide opportunities for business growth.
- 1.6 Draft 3 of the OBC builds on the foundations set out in the Exec reports of June and July 2005, and, in particular, sets out new information on the following areas:-

Section 2.7	Joint Visioning Between TDBC and SCC
Section 4.2.2	“Better for less”
Section 5.9	Options appraisal
Section 6.2	Attractiveness to market
Section 8	Affordability
Section 8.5	External advisers
Section 9	Project Scope
Section 10.5	Communications
Section 10.6	Staff Consultation /Group
Section 12.1	Risk Management
Section 14	Next Steps

1.7 This final version of the OBC will trigger the decision to proceed / not proceed in the joint European Procurement exercise for a Strategic Partner with SCC.

2. STRATEGIC CASE FOR CHANGE

2.1 Customer Focussed Service Delivery

2.1.1 Service improvement has been, and continues to be, high on TDBC's agenda. Although the council has been assessed as "Excellent" through the CPA process, performance is not just about a package of services being delivered in a timely fashion – it is also about the way in which those services can be accessed, the manner in which they are delivered and the quality of the interaction between the customer and the council.

2.1.2 Even "high performing" councils can improve service quality and subsequent public satisfaction with council services. At TDBC, there is still room for improvement and we cannot be complacent and rest on our laurels on the back of our CPA outcome. **We may have a two-tier local government structure in Somerset, but we do not have a two tier community.**

2.1.3 Whilst the development of Local Strategic Partnerships is beginning to define our joint agency priorities and define the areas of service to be delivered, it has not yet translated into changing the way we deliver the services that address these priorities.

2.1.4 To ensure we continue to improve our services, we are determined to rethink the way people experience our services – which means customer-facing services being configured in a way which meets the needs of the service recipients – not simply delivering services in ways that are convenient for local government organisations.
Transforming the customer experience is one of the key strategic objectives of our partnership initiative.

2.2 Efficiency & Value for Money To Our Taxpayers

2.2.1 Economy and efficiency in public service delivery is, and will continue to be, high on the Government's agenda. The Gershon report and the requirement to produce an Annual Efficiency Statement are pushing local authorities to review provision across the whole spectrum of local government services. A number of other targets including E-Government and the National Procurement Strategy are also driving local government to deliver efficiencies. Nine regional Centres of Excellence have been established across England to support authorities and monitor progress and the CPA process will include an assessment of performance against planned efficiencies.

2.2.2 Whilst TDBC is confident that the 05/06 target efficiencies of £400k can be met without affecting service quality, it will not be possible to continually meet this target in subsequent years without a radical review of service delivery. Even if we achieve a balanced budget this year without any support services becoming too small to operate effectively, we cannot continue to achieve this year on year.

Providing better value to council tax payers is a key objective of our partnership initiative.

2.3 Organisational Capacity

2.3.1 Excellent authorities are those which are able to anticipate change, and operate flexibly and proactively for the benefit of both their customers and their employees.

2.3.2 Significant changes have taken place in the role and remit of local government over the last few years. We are now able to use resources in a way which benefit the environmental, social and economic wellbeing of our communities, we are required to work in partnership with other agencies to deliver key services and we have a strengthened role in community leadership. In short, the expectation is that local government will function in an increasingly sophisticated fashion, that service delivery will be delivered seamlessly to take into account complex individual needs and that the majority of council activity will require multi-functional / multi-agency solutions.

2.3.3 Whilst the Gershon agenda is likely to increase pressure on two tier structures to share in economies of scale, evidence of improvements in “stand alone” integration of service access and delivery are proving elusive. Although, through partnership working with other Districts and with the County Council we try to eliminate the perceived (and real) inefficiencies experienced by customers, we must recognise that further reform is likely. The challenge is to develop an organisation that is fit to face the challenges we currently know about, and fleet footed enough to embrace those we don't.

2.3.4 This means having a workforce which is resourceful and multiskilled and which is familiar with modern work practices and partnership working. It also means providing a work environment that supports multi-agency working and flatter, more flexible structures.

2.4 Workforce Capacity

2.4.1 The quality of service experienced by our customers is dependent on the skills, ability and motivation of employees. Workforce profiles show a large proportion of TDBC employees nearing retirement and a shortfall of adequately trained, high calibre replacements. Whilst we are planning

recruitment and succession planning strategies, we face an enormous challenge in combating the effects of an ageing staff population.

2.4.2 Like many other public sector employers in largely rural settings, TDBC faces a significant challenge in developing its workforce to mitigate the effects of this. Added to this, the corporate services provided by the Council are not necessarily of the optimum size and in addition we duplicate some services provided locally by other authorities.

2.4.3 Structures, processes and management hierarchies often get in the way of excellence in service delivery, and can also disempower staff. Most employees want to deliver excellent services and it is the responsibility of managers and leaders to ensure that they are able to do so. The transformation of services mentioned above will depend to a large extent on the ability of the council to “clear the way” and act as enablers for staff to do their best for our customers.

A key objective for the council is to empower and equip staff to deliver excellent services – affording individuals development, employment opportunities and career paths which enhance their job satisfaction and future employment options. The development of a strategic partnership is seen a key strand in delivering this objective - a bigger pool of staff creates more scope to develop expertise and to offer greater career development opportunities.

2.5 Business Need For Change

2.5.1 If this council has already been assessed as Excellent then why the need to suggest a significant reconfiguration of support services? And, in introducing a change is there a danger of interfering with something that works reasonably efficiently now?

2.5.2 Last year, budget pressures led to resources being cut from front line services. These front line services now operate at the minimum possible resource levels to ensure we still provide high quality and it has been made plain that it is not acceptable to further reduce resources in these areas.

2.5.3 It is true to say we could choose to leave the organisation of our corporate services as they are, and simply switch the budgetary focus to these areas but inevitably this will mean budget reduction targets for most if not all of these services. Traditionally this has been managed in a “salami slicing” way by paring back individual support budgets, resulting in each service affected having to either reduce running costs or lose staff. We believe we have already exhausted most means of reducing running costs, leaving the reductions to be achieved mainly through losing jobs. It is inevitable that this will have a detrimental effect on the quality of service provided,

with some services (particularly those which are smaller in scale) suffering more than others to the point where the service becomes inoperable.

2.5.4 Across Somerset, all 6 local authorities face these same business pressures. 6 organisations provide services to local people, with 6 accompanying sets of “back office “ functions to support these services. It is inevitable therefore that there will be some replication, and potentially duplication of the systems and processes that support these back office functions. In the light of the business pressures described above, the need for change becomes inescapable particularly when viewed from a customer viewpoint.

A key objective for the Council is to deliver integrated support and transactional services which meet the exact needs of our customers and the “front line” services that provide them.

2.5.5 **Assessment of current capacity**

We are realistic and honest enough to recognize that we have neither the capacity in our organisation, nor the specific skills needed to bring about such a business transformation and that we need an external partner for this.

A key strategic objective for the council - and one in which the partnership will play a key role - is the development of a modern organisation which is able to respond flexibly and change its ways of working to meet future challenges and changing needs.

2.6 **Why do this now?**

2.6.1 Questions have been raised about why the Council should wish to do this now, given our “Excellent” status and in view of the absence of other District councils in the venture. The key issues are that:-

- Founder partners of any Joint Venture arrangement will be entitled to a “Golden Share” in the new organisation which will not necessarily be available to any subsequent joiners;
- Late joiners are unlikely to have the same degree of influence and control as founder partners will. They may be service “purchasers” only, certainly they will have had no control over terms of entry into the partnership and little influence over its design, management and operation;
- Founder partners will have control over the inception of the partnership, which in itself will ensure better opportunities for staff;
- Under the national procurement strategy, district councils are required to look seriously into collaborative arrangements for providing services.

2.7 Joint visioning between TDBC and the County Council

- 2.7.1 Whilst it is crucial that each organisation's business case stands up to scrutiny on its own merits, it is also crucial that we both have the same vision and expectations about what the Joint Venture will achieve. Work has already taken place with the two senior management teams to clarify and agree our objectives, assisted by the 4Ps. Further work has since taken place during August to refine our objectives and agree the joint ambitions and outcomes we are seeking to achieve. This work will be presented to the Executive on 5 September.

3. FINANCIAL CASE FOR CHANGE

- 3.1 This Council is currently in a relatively healthy financial position. General Fund Reserves sit at £1.3m, and excellent services are being delivered within a balanced budget. Despite the increasingly difficult central government funding regime, increases in council tax and cuts to front-line services have been kept to a minimum, and resources have been refocused to ensure corporate priorities are delivered.
- 3.2 However, the Gershon agenda requires local authorities to deliver "efficiency savings" of 2.5% on their budgets each year. This is a new requirement – on top of producing a balanced budget based on challenging financial settlements.
- 3.3 Looking forward, our financial planning model predicts this "funding gap" will continue, and indeed grow. There will come a point in time when it is no longer possible to continue to deliver excellent services, and keep council tax increases low, and avoid serious front-line service cuts. Taunton Deane Borough Council is almost certainly approaching this point – particularly bearing in mind our ambitious improvement programme around Customer Access and Community Planning.
- 3.4 This council has no wish to see our excellent services gradually diminish over the coming years – or accept us not delivering on the Customer Access improvements. Equally it is unlikely that the public will be willing to accept large increases in council tax bills to pay to keep these excellent services.
- 3.5 Central government, in its Gershon review has issued some outline guidance on how local authorities should tackle this funding problem. The guidance suggests that authorities should look to reduce the cost of support services in order to continue to fund front-line services. Local authorities should be streamlining back-office functions as well as reducing transaction costs by introducing modern technology.

3.6 Taunton Deane Borough Council has made some progress towards this by:-

- authorising the procurement of new systems for Revenues and Benefits;
- authorising the procurement of a new Financial Management System.
- Implementing some e-govt projects (scanning, web services).
- Creation of the Internal Audit Partnership.
- Introduction of DIP in Revenues and Benefits

3.7 It is clear that it is necessary to go much further. We need to be much more customer focused in our service delivery, we have to reduce duplication by the joining up of services, and we need to work with other authorities where efficiencies can be made. All of this will require significant skills in business re-engineering and investment in best of breed technology. If we are to take this seriously, we will need some help in delivering this - Taunton Deane does not currently possess the experience, skills, capacity or resources to deliver this level of strategic change on its own.

4. PROJECT OBJECTIVES

4.1 CUSTOMER ACCESS STRATEGY

4.1.1 The Audit Commission has set criteria on achieving excellence in customer access. These relate to ensuring that citizens have choice, convenience and control in accessing services from the Council. The Commission identifies the following context for customer access:

- Services should be easy to access;
- Services should be supported by technology that is appropriate to meet customer needs;
- The Council should respond to customer feedback and complaints to improve service quality and access to services;
- The Council should use partnership working with neighbouring Councils, organisations and businesses to continually improve access to services;
- Council service should focus on the whole community;
- Council services must ensure equality of access and take proper account of equality and diversity of all service users.

4.1.2 A Customer Access Strategy is being developed through consultation with Members and staff at present and is focusing on where the organisation will position itself for the future in relation to Customer Access. A key part of the strategy is the developing Action Plan for how we achieve the outcomes we desire.

4.1.3 The Review Board considered the Draft Strategy on 4th August, which now comes before the Executive on 24th August.

4.1.4 Delivering excellence in customer access properly means reaching and serving more people in more ways, in more places, and at more convenient times than ever before. It is about doing what we do very differently in the future. It must address the fact that although we have two-tier local government in Somerset, we do not have a two-tier community. In practice this should mean that we will:

- deliver services in the way customers want;
- offer multiple, fully integrated customer access alternatives;
- offer self service and facilitated service options;
- ensure direct service delivery is available within as many of our communities as possible, whilst maintaining Taunton as the cohesive centre, with Wellington as the main sub centre;
- ensure that service delivery decisions are taken as close to the customer as possible. This means empowering front line staff to become leaders of change;
- aim to continuously improve the quality, effectiveness and efficiency of services to deliver ongoing increased customer satisfaction;
- ensure social inclusiveness in service delivery;
- ensure that we organise ourselves and our services around the needs of the customer, not necessarily around our needs;
- ensure that customers do not need to know which level of local government provides the service they require, by providing seamless, joined up access with Somerset County Council and any other partners.

4.1.5 At present, it is clear that to achieve any consistent form of excellence in customer service will require significant changes within the Council. These changes are likely to revolve around:

- Radical culture change
- Significant staff training
- Detailed consultation involving customers in service redesign
- Significant service redesign
- Breaking down silos both within the Council and between us and the County Council and other partners
- A thorough review of our front line service delivery, focusing in particular on when, where and how we deliver to customers. It is likely that some key properties will become surplus to requirements and other, more appropriate property will be needed. It will be vital to undertake a review of property requirements jointly with Somerset County Council and other partners

- Increasing the efficiency and effectiveness of our services to enable resources to be redirected towards excellent service delivery

4.1.6 If we are to achieve ambitious aims in this area, significant skills and resources will be needed. Hence the need to release resources from the “back-office” to deliver on our ambitions for the “front-office”.

4.2 “BETTER FOR LESS”

4.2.1 A specific aim of this project is to deliver “better for less”. Our aspiration is that this project will provide an improved service for customers that can be quantified in measurable terms, and will make a significant contribution to Gershon efficiency savings targets for 06/07, 07/08 and beyond.

4.2.2 The following table sets out some draft objectives that are specific to this project. The measures and critical success factors will be further developed and refined over the coming weeks.

Objective	The End Goal	The Culture
To improve access to and delivery of customer-facing services	<ul style="list-style-type: none"> • Customers experience real excellence in both access to and provision of service, through ways which best meet their needs • Customers have a choice with most services being accessed through the local front office • Customers experience excellence through local “hubs” – eg village halls / “clubhouse” model 	<ul style="list-style-type: none"> • Customer driven and customer focused (not inward looking) • We get it right first time
To modernise, reduce the cost of and improve corporate, transactional and support services	<ul style="list-style-type: none"> • Integrated support services and transactional services which meet the precise needs of front line services and represent Industry best practice across whole organisation - “Better for less” 	<ul style="list-style-type: none"> • Flexible (not bureaucratic)
To help modernise and transform the overall workings of Taunton Deane Borough Council and the County Council	<ul style="list-style-type: none"> • A refreshingly modern organisation that puts the needs of customers first and delivers services in the most effective way • A market leader partner 	<ul style="list-style-type: none"> • Externally focussed, (not service led); • Innovative and challenging • Accessible and flexible • National /International reputation • A UK HQ?
To invest in new world class technologies to improve productivity	<ul style="list-style-type: none"> • Open new markets • Investment in: <ul style="list-style-type: none"> ➢ £££s ➢ People <ul style="list-style-type: none"> ○ Skills ○ BPR ➢ ICT ➢ Buildings 	<ul style="list-style-type: none"> • Able to diversify and expand

To create an excellent working environment and a more sustainable employment future for staff	<ul style="list-style-type: none"> • A Somerset business centre based in Taunton Deane providing excellent support services to public authorities in Somerset and across the Region 	<ul style="list-style-type: none"> • The best employer around (not just the local choice)
To generate economic development by attracting a partner willing to invest in Somerset	<ul style="list-style-type: none"> • Economic regeneration, investment and employment opportunities 	

5. OPTIONS APPRAISAL

5.1 It is clear that we will need to make some significant changes if we are to achieve our objectives, meet the challenges described earlier and implement our customer access strategy. The next question is the choice of method we might adopt to achieve this change.

5.1.2 Options appraisals identify and appraise a range of options that will deliver the service changes and outputs required. The aim of the options appraisal is to determine the option(s) that best meet our objectives and drivers (eg improved customer access), and which delivers Best Value. Options appraisal is therefore a critical part of the business case analysis and will firstly focus on the possible service delivery models and secondly on the procurement options.

5.1.3 Having discussed and received guidance from government departments and other local authorities that have already studied the options, the following long list of potential service delivery models was identified.

5.2 Potential Delivery Models

Model	Description
1. Status Quo (In house)	The do nothing or do minimum option – the Council continues to provide corporate services directly with no external support. Infrastructure, such as IT, is generally seen as reactive to the demands of different stakeholders. Investment and prioritisation for a more corporate approach is difficult to secure.
2. In house with Consultancy (In sourcing)	The Council continues to provide services in house but with the support of external service providers whether in the private sector or public sector to offer skills and capacity not available within the authority. This is often linked to IT infrastructure with the supplier providing on going support and consultancy, especially in terms of system integration

Model	Description
3. Public sector consortium	<p>The local authority and one or more other local or public authorities join together to effect service delivery of some or all of their activities. The arrangement may involve pooling of budgets and functions and the sharing of technology, staff and accommodation.</p> <p>There are a number of options for co-ordination of resources including:</p> <ul style="list-style-type: none"> • A partnership board • A Joint Committee • A non profit distribution entity • A profit distribution entity <p>This model can act as a precursor to private sector partnering or outsourcing</p>
4. Joint venture	<p>'Joint venture' describes a range of different commercial arrangements between two or more separate entities. This model is increasingly becoming a common feature of modern day business practice by enabling parties to work together, utilising the collective pool of assets whether tangible or intangible in pursuit of complementary objectives and the delivery of a successful business venture.</p> <p>Generally it involves a local authority entering into a joint venture with a private sector partner(s) to facilitate the provision or delivery of services, investment or development. Joint venture companies can be controlled by the private sector, the local authority or have no absolute control.</p>
5. Community Interest Company	This is a new company structure available from April 2005. The main criteria for formation of such a

	company is that it must pursue purposes beneficial to the community and will not serve an unduly restricted group of beneficiaries. It does not have benefit of charitable status and has no special tax status. It can be limited by shares, by guarantee, or be a plc but in all cases the assets must be used for the benefit of the community.
6. Partnering Contract	An outsourcing contract entered into between the local authority and a private sector partner which builds on the experience and lessons of conventional externalisation– the nature of the contract envisages a collaborative role between the Council and the private sector partner in relation to the discharge of the private sector partner’s obligations under the contract. The partners jointly agree on the service requirements and share the risk and rewards of any service improvements and/or efficiencies through price performance arrangements.
7. Externalisation/Outsourcing	In this model the Council will contract with a private or voluntary service provider to provide certain services in place of the local authority. This type of contract generally involves a total transfer of the service provision to the service provider. The service provider will secure access to or acquire whatever assets from the Council that are required to provide the services which would include employees who would transfer under TUPE regulations. The Council would retain a client role for contract management and performance monitoring with a limited number of staff.

5.3 Benefits Analysis

The respective advantages and disadvantages of the models described above are evaluated by the options evaluation matrix below which assesses each **option against key critical success factors**.

Business Model	Culture Change	Service Redesign and Delivery	Investment in Technology	Improved Services at Lower Cost	Economies of Scale	Improved Staff Satisfaction
Status Quo	X	X	X	x	x	x
In sourcing	X	✓	X	?	x	?
Public Sector Consortium	X	✓	X	✓	✓	✓

Joint Venture	✓	✓	✓	✓	✓	✓
Community Interest Company	X	X	X	x	x	?
Partnership	✓	✓	✓	✓	✓	✓
Outsourcing	?	✓	✓	✓	?	?

5.4 Early consideration of these models resulted in the view that broadly there are 4 options open to the council:

- Status Quo - do nothing
- Transforming services ourselves
- Externalisation
- Joint Venture

The reasons for this broad view are set out below.

5.5 Firstly, the strategic, business and financial cases described in paras 2-4 above clearly set out why maintaining the status quo is not a realistic option.

5.6 Another option is to undertake this transformation ourselves. Whilst we have shown that we can make our services more effective and that we can streamline the way we do things, we are not experts in this area and it is likely that we have only achieved this on the periphery rather than looking at the heart of what we currently do and how we do it. It is also very difficult to look at engineering such a scale change whilst still attempting to carry on providing an acceptable level of service to the public.

5.7 It is also clear that if we are to radically change the way we configure our support services, significant investment will be needed in new “best of breed” technologies. This effectively rules out options 2, 3 and 5 and 6 since no local authority will be in a position to make the necessary investment and will not possess the necessary skills to achieve the reconfiguration. This need not necessarily close the door however to some services being reconfigured through partnership possibilities other than a Joint Venture, eg with other local authorities.

5.8 Externalisation is a route which this council has tried before. Our experience, and that of others who have taken a similar route is that outsourcing can be fraught with difficulties – in particular with understanding and sharing organisational values, understanding and achieving business objectives, monitoring performance, achieving targets and maintaining staff morale.

This effectively leaves option 4 as the most suited to our overall drivers for improvement and change, and to our business needs. The

County Council has decided to explore this route and is keen for this council to join it as a strategic partner.

5.9 Further analysis has however taken place within the Isis programme team to assess the risks and the ability to deliver of the options of both partnering and outsourcing. This assessment is shown below.

Criteria	Partnering	Outsourcing
Cost and Affordability	The affordability model proves that this option is affordable and best meets the end objectives	This model would also be affordable (although more expensive) but would not attract the same level of internal investment
Service Risk	This model presents some initial risk as there is bound to be some resistance to the change process proposed	This model would present at least the same risk
Deliverability	There is some risk here. Experience has shown that strategic partnering can fail. Although the market is still not mature, there is clearly serious interest and support from major prospective partners	Appears to be becoming less attractive
Timescale	The Council will need to enter into a reasonably long-term arrangement (10 years or more) and follow a quality assured partnership selection process	Similar level of care is needed in the procurement. However because this is a less complex model it might be procured more quickly
Funding	There is quite a significant cost of procurement. However the funding for other costs (e.g improvements to customer access, new technology) will be secured through the partnership	A similar cost of procurement would be required. The contractor would take more risk on financial matters, but also retain all the benefit
Practicality	This is still an emerging market but this option is clearly supported by many councils, Government and the private sector	A mature market and a practical option
Legal and Statutory	Meets all criteria	Meets all criteria

5.10 Overall, assessment of the two delivery models against the deliverability criteria shows that they are broadly similar; however cost and affordability is a key criteria and it is here that the partnering option has a significant advantage. This is because the outsourcing option has to absorb the costs of the pension deficit associated with a TUPE transfer of staff. Our analysis of other partnerships (see Attractiveness to Market para 6.2) also

shows that partnering contracts attract a significantly higher level of investment than that available through outsourcing and this is because of a direct relationship to the apportionment of risk.

5.11 On balance therefore partnering presents a real advantage over outsourcing in terms of deliverability.

5.12 Costs

5.12.1 At this stage it is not possible to quantify all costs associated with the preferred business model. Cost analysis at this stage will therefore be limited to best estimates assuming at present an indicative figure of a minimum of one year's gross turnover and a payback period of 10 years

5.12.2 This cost analysis will be revised as necessary as data becomes available from the following sources

- Market soundings
- Reference authorities
- Benchmarking against norms – unitised costs

and will be extended to include

- Capital costs
- Annual financing charges
- Operating and lifecycle costs
- Social Benefits
- Risk – optimum allocation of risk – quantification of the costs-risk register for key stages and time overrun
- Any wider economic benefits
- Income generation
- Sensitivity analysis

5.12.3 Research with other authorities has provided some background cost information relating to partnership models but there is a reluctance to provide any detailed financial information as this is deemed to be “commercial in confidence”.

5.12.4 The second set of costs associated with the project relates to project management. Three full time secondments have been made to TDBC's Project Team to progress the work, to develop the Business Case and to plan the next stages of the project. The cost of backfilling these posts is estimated at approx. £240k for a two year period.

5.12.5 These costs have been met this year by redirecting some resources from within existing budgets. If the Executive decides that we should carry on with the project, we will similarly redirect resources from within existing budgets next year as this work is a key priority for the Council.

5.13 TUPE vs Secondment

A key aspect of progress with the Joint Venture will be the issue of how staff transfer to the partnership and what this will mean in respect of their employment status.

TDBC's clearly preferred model is for staff to be seconded, rather than apply a TUPE transfer. The reasons for this are:

- Terms and conditions of employment will remain those of the employing authority and will consequently give more stability to staff, at a time of significant uncertainty;
- A more stable staff base is more likely to ensure continuity of high quality service provision;
- Although the Joint Venture organisation will decide how many, and what sort of staff it wants, any staff extra to its needs will first be considered for other positions in the JV but will also have the opportunity to return to the local authority for redeployment to be explored. This gives an added safeguard to staff if the Joint Venture partnership decides to rationalise staff numbers.
- Our experience of other local authorities who have opted for a secondment model rather than TUPE is that partnering relationships tend to be stronger, and the need to retain a top-heavy strategic core tends to be less.

It is possible however that we will need to explore whether TUPE would be a viable option; we also must avoid any anti competitiveness challenges under EU law. It is also possible that interested private sector partners may not be willing to work with a secondment model. In addition to these two factors, external advice is being taken into the long term sustainability of staff secondment.

Whilst both TDBC's and SCC's approach is very firmly to prefer secondment, we will need to explore all of these issues and help staff understand our position and approach to them.

6. COMMERCIAL RESEARCH

6.1 Preferred Option

As detailed previously the intention is to progress the strategic service partnership (joint venture) route but further analysis is required to fully prove the economic case. Unfortunately there is little hard evidence from existing partnerships as they are all too new to have realised significant

benefits and information is not readily available but we do know that contracts of a similar scope, value and desired outcomes to that of Somerset have been signed both in unitary and two tier councils. It is therefore not unrealistic to expect that we can achieve our aims.

6.2 Attractiveness to Market

6.2.1 In order to understand the appetite of the market for a project of this type a soft market testing exercise has been completed. Nine companies were invited to attend informal meetings with the project's senior responsible owners and the project managers. Six attended - the meetings covered the key themes of scope, procurement timetable, contract term, value and principles of partnerships, key issues, supplier experience, market development and capacity and interest in Somerset. The outcome is attached at Appendix 2.

6.2.2 It is important to note that this soft market testing process was not intended to form part of any evaluation of suppliers, rather it is intended to inform the decision making process (for the project) within the Council. An open market testing process is to be followed and those companies invited to the soft market testing are not an exhaustive list of potential partners. All suppliers, whether or not they have taken part in the market sounding exercise, will be required to submit an expression of interest following the OJEU contract notice.

6.2.3 All suppliers consulted are interested in the proposition offered by the Council. Most had no preference as to the type of strategic partnership (i.e. outsourcing or partnering).

Subsequent to the planned soft market testing, approaches have been received from three further potential suppliers. Meetings as described in para 6.2.1 will take place with these suppliers prior to the OJEU advertisement.

6.2.4 In summary there is a good appetite in the market for a strategic partnership with Somerset for the provision of corporate and transactional services, and customer access.

6.3 There are a number of partnership programmes and case studies relating to SSPs for projects of similar scope to Somerset. Our research has provided the following information.

Authority	Partner	Model	Scope	Contract Value	Investment
Bedfordshire	HBS	TUPE transfer (550staff)	Support services, customer access	£200m/12 years	£7m

West Berkshire	Amey	TUPE transfer (400 FTE)	HR, IT, Customer Service, Finance, Property	£160m/10 years	£11m
Lincolnshire	HBS	TUPE transfer (1100 staff)	Finance, Property, personnel, ICT, catering	£280m/10 years	£35m
Liverpool City	BT	JVC-secondment	ICT, revenues and benefits, Liverpool Direct, payroll and HR	£300m/11 years	£60m
Suffolk	BT	JVC-secondment	IT, finance, payroll, HR, public access	£315m/10 years	£51m
Middlesborough	HBS	TUPE transfer (1000 staff)	Finance, IT, procurement, Revs & Bens, HR, payroll, Communications, Public access, Service admin	£200m/10 years	£25m
Pendle BC	Liberata	TUPE Transfer 180 staff	Revenues, Benefits, personnel, Property Services	£100m/15 years	£6m
Westminster	Vertex	TUPE transfer 400 staff initially	Customer Service – approx 70 services	£240m/10 years	£25m

6.4 It should be noted that for a number of reasons two of the partnerships listed above have been unsuccessful. This analysis serves to show the variety of partnerships that have been established for various services, with a variety of private sector partners and varying investment levels.

6.5 Although some partnerships have been in operation for 5 years, the market has only grown slowly. However, indications from the market soundings show that there are a number of private sector suppliers who will be interested in the Somerset collaborative programme, which has an annual gross value of about £34m.

7. PROCUREMENT OPTIONS

- 7.1 In terms of procurement options the following could be considered as being in compliance with Standing Orders for Contracts and the EU Public Procurement Directives
- framework agreement – other purchasing authority or OGC
 - OJEU open
 - OJEU negotiated
 - OJEU restricted
- 7.2 It is unlikely that any framework contract exists which will cover the extent of this procurement. Market intelligence and professional support indicates that the OJEU negotiated procedure will provide the most appropriate procurement option allowing dialogue and negotiation with the preferred bidder to establish the best deal before contract. This is particularly relevant to procurements where it is difficult to accurately scope the procurement at the outset. Once the contract is negotiated it will in effect be a framework contract open to all authorities as defined within the OJEU notice.

8. AFFORDABILITY

- 8.1 It is intended that the overall financial outturn on the project as a whole will be cost neutral. The financial evaluation model can be represented as
- A. Value of investment in people and technology
 - B. Value of savings from efficiencies and BPR (in scope and out of scope services)
 - C. Delivery of customer access strategy
 - D. Annual service charge
 - E. Value of new business growth

with the formula for the most beneficial option being

$D - (A+B+E)$ with C being the constant.

8.2 The Affordability Model

- 8.2.1 A key aspect of this Draft 3 paper is an outline of the financial case to support the overall business case. Essentially this summarises what the “in scope” services are costing us now, what the projected (or preferred) future services profile is likely to cost, and whether our future ambitions are affordable. This financial case will also include a summary of the qualitative benefits that TDBC and SCC are jointly seeking from the Partnership.

8.2.2 The affordability model includes the estimated cost of procuring external legal and financial advice for the project (see 8.5), and for continuing the current project management arrangements.

8.3 **Cost comparison of the different options**

8.3.1 Draft 1 of the Outline Business Case highlighted several different business models of achieving the objectives of this joint project. Draft 3 of the OBC includes a summary of the affordability of each of these models to ensure we have considered all potential options and compared their practicability and affordability. The models costed are:

- Standstill (do nothing)
- Doing it ourselves
- Joint Venture model – secondment
- Joint Venture model – outsourcing

8.4 **Detailed financial planning – the financial model**

8.4.1 At this stage it is important to understand it is not possible to produce a fully costed or detailed financial plan. Precise costings will only emerge when potential suppliers begin to set out what can be provided, and how they intend to do it. This will begin to emerge when suppliers submit their expressions of interest in late November 2005 and will be further refined during the negotiation period between January and early March 2006.

8.4.2 The financial model itself is a complex matrix comprising several different variables. In these very early stages of the project, no information is yet available about prospective private sector partners so the financial model has to be based on a set of working assumptions. Advice has been received from the “4Ps” to ensure robustness and to ensure our assumptions are both reasonable and realistic. These assumptions underpin the financial model (see para. 8.4.3 below).

The financial model is flexed around 3 major variables:

- The likely level of investment. This is based upon knowledge of the range of figures from other partnerships. Ultimately the figure will be negotiated based on the degree of risk and other requirements made of the provider. A total of £30m, £40m and £50m has been assumed, with the benefit accruing 80% (Somerset County Council) and 20% (Taunton Deane Borough Council). This ratio is in proportion to the gross budget and FTE staff numbers that each of the councils is contributing to the partnership.
- The amount of BPR efficiencies that the partnership could achieve from in scope services. A 10%(Low): 15%(Medium): 20%(High)

range has been taken based on advice from 4ps and knowledge of other partnerships.

- A contribution to the partnership of BPR efficiencies from out of scope services. All the scenarios modelled require such a contribution. The range of BPR efficiencies assessed from out of scope services is less than that for in scope services but further work is being undertaken to identify the potential savings available from transactional and administrative type processes

8.4.3 The financial model below sets out the “stand alone” estimated outturn position for TDBC by summarising in outline the overall financial viability of each of the different business model options described at 8.3.1, based on the assumptions detailed above and as set out in full at Appendix 3.

Nb (i) These figures are indicative only – changes to any of the assumptions described above will result in amended data.

(ii) The table in all cases assumes a contract period of 15 years.

OPTIONS	TDBC STAND ALONE POSITION			
STANDSTILL - no customer access improvements	NIL Investment	-7.52		
Assumptions				
<ul style="list-style-type: none"> - Customer Access aspirations delivered - 15 year contract 				
OPTIONS	Investment £m	Level of Efficiencies		
		Low	Med	High
DO IT OURSELVES	6	-7.60	-5.07	-2.13
	8	-9.74	-7.21	-4.27
	10	-11.89	-9.35	-6.41
JV – TUPE	6	-10.17	-7.58	-3.21
	8	-10.17	-10.17	-6.39
	10	Not viable	-10.17	-9.54
JV – SECONDMENT	6	-7.70	-6.16	-2.52
	8	Not viable	-7.70	-4.97
	10	Not viable	-7.70	-7.70

8.4.4 Based on the indicative figures above, this table can be broadly summarised as follows:

Standstill

If we do nothing, and leave corporate and transactional services as they are this will result in a budget gap of about £7.5m over the 15 year period. We will not have the benefit of investment and will therefore be unable to make the customer access improvements we seek. This could only be met by budget cuts with the real risk of cuts in service, as there will be no investment to improve efficiencies and/or productivity. This therefore, is an unacceptable option.

Doing it ourselves

This assumes the Council prudentially borrows in order to make the required investment into improved customer access. The model includes the variable levels of BPR efficiencies; the probability however of the Council being able to achieve high or medium level efficiencies would need to be carefully assessed and risk rated accordingly. All figures would then need to be risk adjusted. BPR expertise would need to be bought in if applying this model.

All permutations of the variables result in a budget deficit over the 15 year period.

Joint Venture - Secondment

Whilst superficially these figures appear less attractive than the option of doing it ourselves and still remain in negative balance, in reality this returns the “least worst” position overall in that investment levels are guaranteed, it is less expensive than the TUPE option (see below), BPR efficiencies will be available in house and there is no need to risk adjust the figures. Given the added risks associated with the option of doing it ourselves, this appears to be the most attractive of the options given that all return a negative outturn and we know that the Council cannot stand still.

Joint Venture – TUPE

Joint Venture with the TUPE employment model also provides the required investment and will provide BPR; this is a more expensive option however than the secondment model because it carries the extra pension costs associated with a TUPE transfer.

Overall, notwithstanding the negative outturn position for each of the options, a Partnering model based on a secondment employment model appears to result in the most favourable position.

- 8.4.5 It can be seen from the above table that it is not financially viable for TDBC to consider undertaking such a partnership arrangement alone.

Whilst TDBC's business case needs to be considered on a "stand alone" basis, it is difficult to make an informed decision about the programme's overall viability without seeing the financial modelling that reflects a joint position with SCC. A joint TDBC /SCC estimated outturn position is shown at Appendix 4; however at this stage this further information remains commercially confidential and as such Appendix 4 is included as a "pink" paper only. Further reference to Appendix 4 shows that this proposed programme becomes financially viable if the two councils undertake this partnership arrangement together.

- 8.4.6 It is important to note the "affordability model" included in this report covers a range of variables (eg low to high), to ensure members are aware of the range of potential results that the model could produce.
- 8.4.7 If the Executive agrees TDBC should go ahead with participation in the procurement process, expressions of interest will be submitted by the end of November. This will be followed by a further period for negotiations with shortlisted suppliers from January to March 2006. It is only at this stage that a more accurately costed model will emerge.
- 8.4.8 It will also not be possible at this current stage of the project to second-guess what our emerging customer access strategy is likely to cost. For these reasons, the financial case presented in the Outline Business Case is an outline summary of the projected net benefits to be gained from the partnership and an outline summary of costing the respective business models.

8.5 **External consultants**

- 8.5.1 We need to underpin a project of such a significant scale and nature with robust quality assurance and risk management processes.
- 8.5.2 Part of this assurance process will include seeking further specialist legal and financial advice at key stages in the Project to ensure our thinking, and processes are robust and fit for purpose.
- 8.5.3 As far as we are able, we will seek advice jointly with SCC in order to minimise costs. It is possible though, particularly with legal advice that there may come a point when it is prudent to seek our own separate and independent advice to ensure the integrity of the process for TDBC.
- 8.5.4 Funding of the joint advice will be split proportionately between us and SCC. The projected proportionate cost for TDBC is £120k.

9. PROJECT SCOPE

- 9.1 We will need to be clear exactly which services are appropriate for inclusion in any new arrangement, and also those which are not. The project focuses on those services provided by Corporate Services, but will potentially include some other areas (eg Revenues and Benefits, property services, procurement). The project will also include public access – as described earlier, the need to implement our customer access strategy is one of the key drivers for this initiative.
- 9.2 The following table provides an overview of the service areas that have been considered for inclusion.

Service Area	Functions	Budget Gross £'000	FTE
Finance	Treasury management, budget preparation and accounts, insurance	978	11.58
IS	IT department , Static and mobile telephony, voice and data activity, Wide Area network, Local Area network	991	20.68
Service Area	Functions	Budget Gross £'000	FTE
HR	HR – meeting demands of Services, and of corporate organisation (strategy and policy issues), employee relations, organisation and provision of corporate training, recruitment	448	8.50

	advertising, payroll and Occupational Health		
Customer Services	First point of contact for queries from the public	516	17.62
Property Services	Asset holdings and management, facilities management, maintenance and design, GIS	1,342	20.75
Legal Services	Provision of legal services to all Services, incl Land Charges	445	6.91
Procurement	Procurement functions (including purchasing)	285	10.63
Office Services	WP, Post Room, Design & Print	704	16.07
Revenues	local taxation, income control,	1,104	24.56
Benefits	Benefit administration, Investigations.	1,117	33.24

9.3 Both the Revenues and Benefits services have been included in the list of potential “in scope” services in the table above. The case for including these services may, at face value, seem more difficult to understand, given that both services have already rationalised their operations and currently out perform national targets.

Our key drivers behind the need for organisational change are that of corporately improving the customer focus of our services, of making our services more accessible, and of delivering value for money to our taxpayers. Both Revenues and Benefits will need to be part of any new approach or strategy we develop about how we best achieve this corporately.

A further reason for inclusion is that if TDBC is a founder partner of a Joint Venture arrangement, strategically we will have positioned ourselves well for this service to be offered to other local authorities who have not yet chosen to be part of the JV arrangement. Additionally, the “skills set” of our staff are very similar to those used in several SCC services – offering potential for exploring different ways of working in the future. This

strategic positioning will allow opportunities for further developing and growing these service outside of TDBC – offering our staff an opportunity for development and stability that we simply cannot offer.

Finally, Revenues and Benefits are classified as a “transactional” service which reflects current government thinking about appropriate areas for inclusion in a Joint Venture partnership.

- 9.4 The statutory roles of the Chief Financial Officer (S 151) and the Monitoring Officer will not be included, and there will be a need to retain sufficient resource to maintain some strategic capacity in other areas, but this will be kept administratively light.
- 9.5 The precise scope will be influenced by the market sounding exercise, visits to other reference authority sites, continued debate within TDBC and continued dialogue with the prospective partner(s) as this project progresses. However, it is important that, before going to market, this Council is clear what is likely to be “in scope”.
- 9.6 The Officer Steering Group has debated which services should potentially be included. Early discussions raised some doubt about whether we should include Property Services, and Legal Services. Further debate since July has led to the view that Legal Services should not be included, but that we should regard all of Property Services functions as in scope. CMT has endorsed this position. **At this stage of planning, the services to be included as “in scope” are those set out in the table attached at Appendix 5.**

A further joint review of scoping will be carried out through the Joint Programme Board (SCC and TDBC Directors) during late August.

10. KEY STAKEHOLDERS & COMMUNICATIONS

- 10.1 Although this project focuses on corporate services, it will touch all aspects of service delivery and it is therefore vital that all stakeholders are kept apprised of the Council’s intentions. Stakeholders have been identified as Members of the Council, staff of the Council, Members and staff of partner councils and organisations, citizens of Taunton Deane, trade unions and neighbouring authorities with whom we have close relations.
- 10.2 The project has been initiated at top management level and is wholeheartedly supported by the Chief Executive and the Corporate

Management Team. The Strategic Director, Shirlene Adam is the project champion.

- 10.3 TDBC has begun a consultation exercise with staff about the prospect of entering into a strategic partnering arrangement and has to date held a number of briefings for senior managers and staff representatives.
- 10.4 Good communications has to be built into this project and is critical to the successful management of the change process. We aim to make sure the right people have the right information at the right time using the appropriate channel. Equally we need a robust mechanism in place to encourage feedback from staff so they feel involved in the process.
- 10.5 A joint TDBC/SCC communications strategy has been drawn up, along with a specific TDBC action plan. This action plan sets out ways for us to communicate with staff, including regular face to face briefings for all staff (both in and out of scope) and regular written updates for all staff and for elected members.

A further joint TDBC/SCC action plan will be drawn up to ensure we inform and consult with other stakeholders at suitable times.

10.6 **Staff Consultation Group**

Although both Unison and Staff Side are members of the Officer Steering Group, we have set up a wider TDBC Staff Consultation Group as part of the Communications Action Plan. This will help ensure that staff are informed and well briefed about all aspects of the project, and that staff can make their views known to the Officer Steering Group. Representation on the Consultation Group covers each proposed in-scope service, as well as including representatives from other services to ensure we keep all staff properly informed.

11. **JOINT WORKING**

- 11.1 There has been interest in this project from District Councils and other authorities. It is unlikely that all other interested parties will progress to participation before the OJEU advert is placed. In view of this the OJEU advert will be worded in such a way that any involvement from a further public sector partner can be considered at a later stage.
- 11.2 However, it would be likely that any such involvement in the partnership would have to wait until after award of contract. Although the OJEU wording would not exclude partners joining in the process during the procurement process, it would make the procurement and negotiation process more complicated by adding another set of dynamics to the process in terms of people, issues and objectives.

- 11.3 Should there be a further partner involvement from the beginning of the process this will increase the size of the evaluation team but could help ease the resourcing of the full time project team.

12. RISK ASSESSMENT & QUALITY ASSURANCE

12.1 Risk Management

Clearly a project of this scale and nature will carry a number of significant risks. TDBC has a tried and tested methodology for assessing and managing risk and this project will be no different. A comprehensive risk register has been developed through TDBC's Officer Steering Group, along with accompanying management action plans. CMT have seen and approved both documents.

The TDBC Member Steering Group has also considered the risk register and will be kept up to speed as this develops during the project. This risk register will, over the coming weeks, be combined with the County Council's register into one composite project register identifying overall risks for the Project (although TDBC will retain its own register to ensure that independent robust risk management takes place within this council.)

12.2 Quality Assurance

A project of this significant scale and nature needs to be underpinned by robust quality assurance and risk management processes. Quality assurance is to be undertaken jointly by SCC's and TDBC's internal audit expertise. This assurance team will work closely with the two Joint Venture Project Teams and will assess all key decision making processes and milestones of the Project.

12.3 External Advice

Some external advice about the overall nature and risks of the Project has been received from the 4Ps, an "independent" government office advisory organisation. The Council will need however to seek further specialist legal and financial advice at key stages in this Project to ensure that its thinking, and its processes are robust and fit for purpose. The cost of this external advice is addressed in Section 8.5 of this report.

12.4 Exit Strategy

The need to include a robust, flexible and future proof exit strategy has been clearly identified, even at this early stage. TDBC will need to plan carefully for future events that could affect the Project's viability (eg future local government reorganisation, legislative changes, financial stability of the private sector partner) and plan a strategy that allows the Council to leave the Partnership in a way that does not damage customers, services or staff should it decide this is an appropriate course of action. .

13. PROJECT MANAGEMENT ARRANGEMENTS

13.1 Management Arrangements

The project will be managed in accordance with the principles of Prince 2. The proposed governance structure is as follows.

Executive Board:

- To approve the strategic direction, outline scope of activity, agrees outcomes and benefits and authorises procurement process.
- To approve recommended partner at the end of the procurement process.

Elected Member Advisory Group:

- Provides political direction to the project.
- Review project progress and approves any exceptions to the approved scope
- Ensures process is properly aligned at all stages to the strategic outcomes required.
- Supports key communication processes across all key stakeholders

Frequency of Meetings: currently monthly, to be reviewed.

Members: Cllrs Hall, Leighton, Clark, Garner, Wedderkopp, Coles, Lisgo and House.

Corporate Management Team:

- Owns the strategic vision for the project provides clear leadership and direction during the course of the project
- Takes key procurement decisions: agrees final scope, approves supplier shortlist, approves final 2 suppliers, agrees preferred supplier, recommends award from Executive Board decision against defined and agreed criteria.
- Secures the investment required to set up and run the project and fund the transition activities required.
- Receives reports on project progress

Frequency of Meetings: Weekly, with weekly updates and monthly highlight reports.

Senior Responsible Officer:

- Is directly accountable for the delivery of the procurement project delivering agreed outputs to required specification and quality within budget.

- Maintains close liaison and communication with Partners Authorities, SCC SMB and Elected Member Advisory Group
- Provides day to day direction for the project, responds to project issues and takes decisions to ensure project maintains momentum and that the timetable is achieved.
- Ensures business case is maintained and is remains relevant to the overall strategic aims.
- Ensures that communications with internal and external stakeholders are effective.
- Manages the key strategic risks facing the project.
- Ensures that the organisational change is managed effectively.
- Meets with the project manager at least weekly to review progress
- Commissions and chairs reviews during the project to ensure alignment with objectives, capability of delivery and measurable achievement of benefits

Senior Responsible Officer: Shirlene Adam

Strategic Steering Group:

- Actively leads the agreed communication to staff within respective service teams of the reasons for, progress with and benefits arising from seeking a strategic partner. Highlights to the group and addresses all concerns and issues that arise in the agreed manner.
- Supports the communication with external stakeholders as agreed through the Communication Strategy.
- Receives reports on project progress.
- Informs discussions on and develops business scope and statement of requirement.
- Coordinates and provides all service specific information required by the project team at all stages of the procurement process.
- Approves key procurement documents
- Takes decisions to resolve any business or project issues.
- Identifies, owns and actively supports/leads the management of project risks and related contingencies.
- Ensures adequate resources are available during the life of the project.
- Makes recommendations to the responsible owner and the CMT Project Board.
- Receives feedback from and directs and advises on action to be taken by work stream managers as they are appointed to project activities.

Frequency of Meetings: Fortnightly from 3rd May 2005 or as project issues demand.

Officers: In scope service managers, plus 2 other Heads of Service

Project Manager

- Directs and motivates the project team;
- Provides project information and advice to partner authorities
- Project manages and plans all stages of the project;
- Agrees delegation and project assurance roles;
- Produces the PID;
- Prepares project reports as defined by the PID.
- Manages on a day to day basis the business and project risks (includes contingency planning);
- Liaises with members of associated activities e.g HR and Communications;
- Monitors progress, expenditure, resources and initiates corrective action;
- Keeps Officer Steering Group and Project Board informed of deviations in plans and associated action (ie Change Control);
- Establish technical and quality strategy with appropriate members of the Project Office and Officer Steering Group;
- Prepare End Project Report;
- Identifies and obtains support and advice necessary for the management, planning and control of the project;
- Manages the development of the communication strategy and delivery of the communications plan.

Project Manager: Jill Sillifant

Project Office

The Project Office enjoys the benefits of combined resources with the County Council, and:

- Coordinates all project activities to ensure delivery of identified project objectives and deliverables raising issues as necessary.
- Provides the technical skills necessary for the effective delivery of identified project deliverables e.g. finance, communications, procurement documentation.
- Monitors delivery of the project against the project plan and within the scope of the project initiation document.
- Prepares procurement documentation necessary for each stage of the procurement process
- Helps manage each Gateway Review process and reports outcomes to Officer Steering Group and the combined SCC/TDBC Programme Board
- Prepares project reports for the Officer Steering Group and the combined Programme Board.
- Manages the project issues log, risk register and plan, and actions log, intranet site.

- Provides project administration

Members of the Project Team: Jill Sillifant, Lizzie Watkin, Louise Cook, Ruth James, Lisa Wyatt-Jones.

13.2 Procurement Plan and Timetable

The procurement timetable has been set out as follows

Activity	Timetable
1 Undertake market soundings	w/c 18.04.05
2 Issue OJEU Notice	03.10.05
3 Shortlisting of suppliers	31.12.05
4 Invitation to negotiate	06.03.06
5 Submission of bids	31.05.06
6 Preferred bidder identified	01.08. 06
7 Contract award	01.10.06

It is recognised that this is a tight timescale but should be achievable given adequate resourcing is available. None of the suppliers invited to the market soundings indicated that this would be a problem for the supplier side.

13.3 Gateway Review Process

The Gateway review process, managed by the 4ps (a government agency) examines projects at critical stages in their lifecycle to provide assurance that they can successfully progress to the next stage. SCC has requested reviews at the following key milestones

- business justification – review of business case
- investment decision – review of procurement process and evaluation
- Readiness for service – review of implementation programme

14. NEXT STEPS

- **If the Executive agrees, proceed to European Procurement on this project;**
- **Further develop business affordability model;**
- **Produce pack of information for prospective bidders;**

- **Complete Statement of Requirement for prospective bidders;**
- **Develop, with SCC our joint visions and joint ambitions for presentation to the Executive on 5 September 2005.**

Strategic Services Partnership – Supplier Market Soundings

14th – 20th April 2005

APPENDIX 5

	Fujitsu	BT
What are your views on the scope of the project?	Felt that nothing in scope was beyond their capability	Scope reasonable
Do you feel that the timescale is achievable?	Timescale is challenging, major challenge if we have too many tenderers. Timescale is possible Major issue is our readiness to handle questions and having information available	Ambitious but achievable
What business models would you consider appropriate?	Need an adaptable business model, many models available ranging from traditional contract based outsourcing to full strategic partnering with strategic board or incremental partnership	Commercial considerations shaped by what you are trying to achieve. BT would work with a partner
What are your observations on potential investment?	Private sector will be reluctant to sign up to guaranteed profit without clear idea of risks and how these can control	Can use procurement savings released, use of consultancy fund
What contract period do you consider appropriate?	Long enough to enable payback of investment, more flexibility if we do not need payback	7 to 10 years appropriate, reduced length contract will reduce upfront investment
What employment options should be considered?	They have experience of range inc secondment model and full TUPE	Prefer JVC secondment but will consider other models
Please detail your previous relevant experience?	Walsall, 21 Service areas inc. ICT, Libraries & Procurement Highland Council, 10 year partnership, now in year 6. Lewisham BC, e-government change partner Wirral, back office system, benefits release	Liverpool, Rotherham, Suffolk, Rochdale
Where do you feel that the market is developing and what capacity exists?	No comment	No comment

<p>What additional issues and considerations do the suppliers think are essential?</p>	<p>People are the Key, technology is an enabler. Releasing asset value is fundamental. Estate base must be centred around customer need, not Departmental need - Citizen Centric. Need a partner who can deal with cultural change. Adaptability is key. Middle managers and their "buy in" is key. Consider incremental partnership, frame works and business case by business case approach Authorities must retain their own brand Partner needs control to deliver benefits and guarantee savings. True partnership essential. Objectivity much be retained throughout procurement. Transparency of process essential.</p>	<p>OJEU must enable other authorities to join. Partner does not do it for you but with you. Estate can be a limiting factor. Need to understand how re-engineering (i.e. IT) will affect. Commercial benefits affected by what you are trying to achieve. Model must flex to both party's needs. Lots of work at the "back end" of the procurement. Need to introduce culture change and management before signing contracts. Think about change management now. Need to agree how investment works in business case for partner and authority. No "free money". Project must have "head room". Middle management can often hinder project, but can also be the most enthusiastic about ground breaking activity. Leadership on all sides is key. Ensure partner understanding early on. Ensure partner's, partner is close to them. Desire and Teamwork are essential. Be creative. Ask fundamental questions about the services we offer: "Is this what we should be doing". Resources needed pre and post contract. Will need staff resource to handle procurement process. Somerset Broad band project must be complete before we engage with BT (BT currently working with us on this project)</p>
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	Agilisys	Vertex
What are your views on the scope of the project?	Could achieve with partner assistance	Vertex feel they could cope with, currently building ability to provide Legal Services
Do you feel that the timescale is achievable?	Time needed for evaluation will have implications for our projected timescale	Yes, April 2006 start viable, suppliers will swamp with requests so we need to have information available Need Project Management and adequate resources Suggest items prepared ahead of time
What business models would you consider appropriate?	Not big enough to do everything, ("no one is") would use partners. Flexibility is required	Joint Strategic Governance, Open Book accounting Options for "Strategic Partnership" or "Build, Operate and Return". Suggest Customer Centric model Do not favour JVC
What are your observations on potential investment?	see answer re contract period	Suppliers need sufficiently long contract to enable payback to encourage investment
What contract period do you consider appropriate?	7 to 10 years. 15 years if property included. 5 to 7 for ICT payback	10 Years with option to extend for further 5 (see above) "Build, Operate and Return" would be 2-3 years
What employment options should be considered?	TUPE and secondment, but "understand what secondment actually means". TUPE is often the cleanest	Do not like secondment model, prefer TUPE with staff transfer for clear accountability, use of own motivational structures and own management structures and methods
Please detail your previous relevant experience?	Cumbria CC, North Yorkshire CC, Hammersmith & Fulham, Harrow, Hambleton DC, LB of Barking & Dagenham, Staffordshire CC, Birmingham City	Plymouth, Birmingham City Council, Westminster City Thurrock Council, Brent Council, DWP Would like a County and a District
Where do you feel that the market is developing and what capacity exists?	There are a number of quality opportunities for suppliers	

<p>What additional issues and considerations do the suppliers think are essential?</p>	<p>Ensure contract enables others to join. Suggest County plus one District with scope for others to join.</p> <p>Our large Outline scope will have a significant impact on the evaluation. Flexibility required.</p> <p>Consider price fixed for 1 - 2 years and then negotiate.</p> <p>Use outcome based service level agreement. Governance structure key. 50/50 partnership, avoid contractor/client split, sit staff together. If unable to specify exactly what happening at the moment focus on the governance structure.</p> <p>Pre-emptive approach to re-organisation valuable. Engagement during procurement process useful (inc. supporting attending authority's offices on weekly basis) avoids "Blind Alleys".</p> <p>Technology is an enabler.</p>	<p>Avoid two speed authority (i.e. that within the partnership and everything else). Need dedicated team to deliver project. Avoid secondment "like the plague". Produces "opt out" mentality.</p> <p>Do not favour JVC.</p> <p>Target 80/90% of all enquiries sorted at front desk. Management Board need senior people from both partner and Authority to set objects and get things running. Enormous value from their "face to face" contract, trust and engagement. Understand your business. Empower your staff. The cultural change will be big. Work with staff. Citizens do not need to understand how our systems work, just how to access services. Management Boards need contractual agreement to regulate. Visits to other strategic Partnerships will be helpful. Vertex understand and will contract to meeting local requirements, I.e. local development and employment. Seek to improve citizen experience. Joint Strategic Governance. Open book accounting. Remember local authorities are difficult to deal with. Have open debate system Team working needed, Have open agenda. Accept there will be highs and lows. Consider all aspects "end to end". Transformation is tough. Share Risk. Partnership essential</p>
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	Capita	Hewlett Packard(HP)/Hedra(HE)
What are your views on the scope of the project?	No problems at all with scope but prefer not to be involved with blue collar staff	HP interested in ICT and transformational agenda but not so keen on property portfolio management HE - it may be better to unbundle the services as different private sector organisations have skills in different areas
Do you feel that the timescale is achievable?	No problems with the timetable	No comments made
What business models would you consider appropriate?	Is involved in outsourcing and JVC/secondment models and best model for Somerset will depend on how risk is shared Open Book accounting/transparency to demonstrate justification for change	HP recognises shift in partnership arrangements- HP would partner with another organisation (e.g. Hedra) but scope here is too wide and would be overreaching
What are your observations on potential investment?	Investment will provide a platform for future growth. Capita might accept a low margin at the outset but won't go in at a loss Invest-efficiencies-growth and continuous improvement-re-invest model	HP- would have to discuss at Board level and level of investment would depend on the robustness of the business case. Likely that interest charges would be relatively high in the first few years to compensate for low/no returns
What contract period do you consider appropriate?	Needs to be long term to make returns on investment	10 year minimum to make the finances work
What employment options should be considered?	Happy to work with secondment model or TUPE transfer Would want clear agreement around the staff transfer	Has worked with joint partnership secondment model
Please detail your previous relevant experience?	Gwent (4 unitaries)-JVC with secondment, Salford-JVC with secondment, Blackburn with Darwen-outsourcing allied to BBC licencing service, Criminal Records Bureau, Wembley Stadium Herts CC call centre	HP-Foreign and Commonwealth Office - infrastructure project (joint management), talking to Newham, bid to Birmingham with Hedra - transformational changes, Worcester Hub - contact centre County and Districts-partnership with Deloitte HE - Lancashire -independent adviser,N.Yorks-e gov with Agilisys Northants -strategic partner 3 year programme
Where do you feel that the market is developing and what capacity exists?	Many past partnerships have had unrealistic starting points and have been oversold. Much opportunity in Districts joining with County/Unitaries- very interested in this model	Such a large range of services in scope will narrow the market
What additional issues and considerations do the suppliers think are essential?	It will cost suppliers £1m to bid for this work so suppliers will be selective on what they bid for Ensure that a robust decision making structure remains within the Council- this could be a constraint which holds up partnership moving forward Suggested releasing assets to generate investment funds Interest in the work will be determined by risk and growth possibilities-less risk =better deal	Authority needs to be sure that they can support their side of any deal Growth potential will be the key Be aware of possible power conflicts and tensions with Districts

AFFORDABILITY - ASSUMPTIONS

All models are costed over a 15 year period.

The **Status quo** assumes that there is no new investment and a steady 2.5% reduction in resources available for in scope services

For all other models

- A range of levels of investment have been built in
- A range of Business Process Reengineering efficiency savings have been used (average over in-scope services of 10%, 15% and 20%)
- These efficiencies will be delivered over a 2 year period in an TUPE model, over a 3 year period in a secondment model and over a 5 year period in a DIY state all starting in year 2.
- A range of BPR efficiency savings released from out of scope services have been used (average over services of 5%, 7% and 10%)
- BPR efficiencies will not be realised from out of scope services until year 6 in both secondment and TUPE models and over a 5 year period starting in year 6 in a DIY state

The Do It Ourselves model assumes that we prudentially borrow and carry out the BPR and deliver Customer Access ourselves

For both Secondment and TUPE models

- Property assets will not transfer
- Other assets may transfer but will do so at nil cost
- Assets that do transfer will transfer back at the end of the contract at nil cost
- No business growth has been built in
- Private partner will accept a 7% rate of return
- Partnership delivers our Customer Access requirements

For the Joint Position

- Synergies from joint working have been built in
- Joint turnover covers any severance costs resulting from the BPR efficiencies

TDBC: SCOPING STATEMENT

APP 5

HR DEPARTMENT			
Out of Scope	Comments	In Scope	Comments
Strategic direction eg policy formulation, management development need analysis, IIP /OD work	Could be commissioned from the partnership	<ol style="list-style-type: none"> 1) Recruitment and selection advice and support to managers. 2) Employee relations – General advice on employment related issues, design and review policies and procedures, co-ordinate health and safety, support managers in a range of people management issues 3) Training and development – Advise on training and development issues, develop and review training policies, design and run development centres, run management development prog, design and run prog of skills and other training to support individual and corporate needs 4) Payroll 5) HR Administration 6) Occupational health 7) Management Information 	

LEGAL SERVICES			
Out of Scope	Comments	In Scope	Comments
<p>Legal Advice to Members and officers across most of the Council's services and functions</p> <p>Assist with probity issues</p> <p>Carry out all the Council's conveyancing and deal with most of the construction contracts</p> <p>Deal with Planning enquiries and Sec 106 agreements</p> <p>Carry out most of the Council's prosecutions and represent the Council in other court proceedings</p> <p>Provides specialist legal support on major legal issues and co-ordinates external legal advice where required on major projects</p> <p>Organises funerals for those who have nobody willing and able so to do</p> <p>Provide replies to Local land charges searches.</p> <p>Maintain the Local Land Charges register.</p> <p>Make appropriate records available for personal searchers.</p>			

FINANCE DEPARTMENT			
Out of Scope	Comments	In Scope	Comments
Internal audit. S 151 role	Needs to remain independent Needs further thought	Accountancy: <u>Financial Strategy:</u> <ul style="list-style-type: none"> • Medium Term Financial Strategy • Medium Term Financial Plan • Financial Options Appraisal • Budget Preparation • Budget consolidation • Tax level calculations • Salary budget preparation • Budget book preparation • Advice & Guidance to Officers and Members <u>Budget Monitoring (Capital & Revenue)</u> <ul style="list-style-type: none"> • Monthly report to Corporate Management Team • Regular meetings with Managers • 4 Monthly reports to Review Board • Deane DLO monitoring <u>Technical Financial Matters</u> <ul style="list-style-type: none"> • Fixed Asset charges • Collection fund preparation and forecasting 	

		<ul style="list-style-type: none"> • VAT advice and preparation of monthly VAT return • Analysis of the impact of new legislation • Maintenance of the current Financial Management System <p><u>Closedown of the Accounts and Preparation of the Annual Financial Statements including liaison with the Council's external auditor</u></p> <p><u>Performance & Statistical Information</u></p> <ul style="list-style-type: none"> • Preparation of statutory Government returns • Preparation of discretionary statistical returns (ie CIPFA) <p>Insurance</p> <ul style="list-style-type: none"> • Third party claims handling • Fire policy claims handling • Motor claims handling • Risk management • Level of cover negotiations • Contract renewals <p>Treasury Management</p> <ul style="list-style-type: none"> • Policy & Strategy • Daily cash flow management & forecasting • Liaison with the Councils TM advisors • Debt advice <p>Creditor Payments</p> <ul style="list-style-type: none"> • Maintenance of supplier records 	
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		<ul style="list-style-type: none"> • VAT and CIS tax compliance • Travel warrants Purchase order maintenance	
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IS (Information Services)			
Out of Scope	Comments	In Scope	Comments
Strategic advice/ planning (eg intellectual property rights)	Needs further debate	ICT Management High level strategy provision Reporting to Members and Directors Representation at partnership meetings Awareness and interpretation of evolving technologies and standards Development of standards and policies Employee management Supplier management Business Systems Support¹ Business analysis Business system support and development Corporate systems support and development Systems integration Enterprise architecture implementation E-Systems Support¹ Business Analysis Web development	

		<p>Web management Intranet development Intranet management System support Systems integration Enterprise architecture implementation Infrastructure Support Telephony services Data storage Disaster recovery Security management Local and wide area networks Remote / Home working Helpdesk Out of hours support Hardware installation and support Desktop installation and support Asset management Licence management Performance and capacity monitoring and management</p>	
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PROPERTY SERVICES			
Out of Scope	Comments	In Scope	Comments
		<p>Asset Holdings Property Management (inc. commercial lettings, rent reviews, lease renewals etc) Acquisition & disposal of property assets General property and valuation advice Asset valuations for capital accounting purposes Insurance valuations Rating Valuation reviews and appeals RTB Housing Valuations and sales Maintenance of property records (inc. Terrier & Asset Register)</p> <p>Facilities Management Management of window & office cleaning contracts Management and maintenance of intruder and fire alarm systems & security matters including CCTV Responsibility for opening and closing of Deane and Flook House Develop and maintain electronic room booking system Deane House vending machine management Management of all Deane House meeting rooms & provision of support to all meetings Fire and evacuation procedures Admin support to Property Services Develop & Monitor of Contractors on</p>	

		<p>site system (Health & Safety) Main point of contact for maintenance issues in TDBC Corporate buildings Ensure emergency/out of hours procedures for Dean House are in place and any changes passed to the appropriate officer</p> <p>Maintenance & Design The regular updating of The Asset Management Plan. This provides the framework to monitor the performance of property assets, ensuring sufficiency, suitability and performance requirements are met. Property Condition Surveys Maintenance Programmes Maintenance of Bus Shelters and Street Nameplates Design/feasibility studies. To enable any potential development opportunities to be fully explored Energy Management. Is the energy source appropriate, systems, building fabric, usage etc. Compliance with the Disability Discrimination Act. The Code of Practice encourages the auditing of physical and non-physical barriers to access for disabled people. An access audit and the resulting access improvement plan are the best way of ensuring that a building achieves its potential accessibility, this varying from one building to the next. Health and safety of properties (asbestos, legionella etc).</p>	
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		Flooding Advice and Signposting Drainage Advice GIS service	
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CUSTOMER SERVICES			
Out of Scope	Comments	In Scope	Comments

		<p>Front-line provision of customer contact for: Main reception Revenues Benefits Limited Parking Services Elements of Environmental Health will come on stream as the service is developed on Northgate Front Office during this financial year.</p> <p>Telephonic provision of customer contact for: Main switchboard Revenues Benefits Payments Waste Management Land Charges Parking Services Democratic Services Electoral Registration – information service only Planning Elements of Environmental Health will come on stream as the service is developed on Northgate Front Office during this financial year.</p> <p>Email: Enquiries submitted through internet service Litter hotline enquiries DigiTV enquiries Provide direct access to Council services to the people of Wellington and surrounding areas. In particular provides an income point; Tourist</p>	<p>Need to debate reception arrangements</p>
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		Information Centre and Council Information Point. Provision of venue for Housing Advice; Police Beat Surgery; Benefit Advisor	
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PROCUREMENT			
Out of Scope	Comments	In Scope	Comments
		Strategic procurement Purchasing and supplies functions	Needs to be locally specific, with sufficient scrutiny and challenge
FACILITIES MANAGEMENT/OFFICE SERVICES			
Out of Scope	Comments	In Scope	Comments
Admin support (for legal services and member services)	More work needed on this	Postal Services Corporate DIP Programme Staff Services Provision of word processing and data facility. Maintains and operates Job Application Phone Line. Graphic Design Print Room Services	More work needed on post room services

REVENUES AND BENEFITS SERVICES			
Out of Scope	Comments	In Scope	Comments
		<p>REVENUES</p> <ul style="list-style-type: none"> Collection Control Council Tax Income Non Domestic Rates Sundry Debts <p>BENEFITS</p> <ul style="list-style-type: none"> Claim processing; Customer service (telephone and face to face - calls transferred, front-line cover for Customer Service Unit, pre-arranged interviews with public at Deane House); Support Services (scanning & indexing, clerical support); Overpaid benefit recovery; Investigation (both benefits & potentially fraudulent applications under the “right to buy” scheme” and home improvement grants); Subsidy and MIS reporting; Mortgages; Discretionary Housing Payments; Training (for internal as well as external stakeholders); Verification/intervention visiting; 	

		Welfare visiting (assisting in claim completion); Take-up (including Partnership arrangements with CAB); Specifications and testing for IT enhancement	
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ASSESSMENT CRITERIA

Legitimacy

Potential for customer access improvements

Potential to maximise front line resources

Opportunities for further business growth

Potential for support services efficiency and improvement

Potential for deliverability by the partnership

Deliverability within the likely timescale of the contract

Affordability

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