

Open

Cabinet

Agenda

6.00 pm
Tuesday, 19th July 2011
The Earl Baldwin Suite
Duke House
Clensmore Street
Kidderminster



Cabinet

The Cabinet Members and their responsibilities:-

Councillor J-P Campion	Leader of the Council
Councillor M J Hart	Deputy Leader, Environmental Services
Councillor N J Desmond	Resources and Transformation
Councillor T L Onslow	Community Well-Being
Councillor J Phillips	Place-Shaping

Scrutiny of Decisions of the Cabinet

The Council has one Scrutiny Committee that has power to investigate policy issues and question members of the Cabinet who have special responsibility for a particular area of the Council's activities. The Cabinet also considers recommendations from this Committee.

In accordance with Part 4 of the Council's Constitution, Overview and Scrutiny Procedure Rules, and Standing Order B4, any item on this agenda may be scrutinised by the Scrutiny Committee if it is "called in" by the Chairman or Vice-Chairman of the Overview & Scrutiny Committee and any other three non-Cabinet members.

The deadline for "calling in" Cabinet decisions is 2nd August 2011.

Councillors wishing to "call in" a decision on this agenda should contact Sue Saunders, Committee/Scrutiny Officer, Civic Centre, Stourport-on-Severn. Telephone: 01562 732733 or email susan.saunders@wyreforestdc.gov.uk

Urgent Key Decisions

If the Cabinet needs to take an urgent key decision, the consent of the Scrutiny Committee Chairman must be obtained. If the Scrutiny Committee Chairman is unable to act the Chairman of the Council or in his/her absence the Vice-Chairman of the Council, must give consent. Such decisions will not be the subject to the call in procedure.

Declarations of Interest - Guidance Note

Code of Conduct

Members are reminded that under the Code of Conduct it is the responsibility of individual Members to declare any personal or personal and prejudicial interest in any item on this agenda. A Member who declares a personal interest may take part in the meeting and vote, unless the interest is also prejudicial. If the interest is prejudicial, as defined in the Code, the Member must leave the room. However, Members with a prejudicial interest can still participate if a prescribed exception applies or a dispensation has been granted.

Section 106 of the Local Government Finance Act 1992

If any Member is two months or more in arrears with a Council Tax payment, they may not vote on any matter which might affect the calculation of the Council Tax, any limitation of it, its administration or related penalties or enforcement.

For further information: -

If you have any queries about this Agenda or require any details of background papers, further documents or information you should contact Sue Saunders, Committee/Scrutiny Officer, Civic Centre, Stourport-on-Severn. Telephone: 01562 732733 or email susan.saunders@wyreforestdc.gov.uk

Documents referred to in this agenda may be viewed on the Council's website - www.wyreforestdc.gov.uk/council/meetings/main.htm

Wyre Forest District Council

Cabinet

Tuesday, 19th July 2011

The Earl Baldwin Suite, Duke House, Clensmore Street, Kidderminster

Part 1

Open to the Press and Public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	<p>Declarations of Interest In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any personal or personal and prejudicial interests in the following agenda items. Members should indicate the action they will be taking when the item is considered.</p> <p>Members are also invited to make any declaration in relation to Section 106 of the Local Government Finance Act 1992.</p> <p>(See guidance note on cover.)</p>	
3.	<p>Minutes To confirm as a correct record the Minutes of the meeting held on the 21st June 2011.</p>	5
4.	CALL INS a verbal update will be given on any decisions which have been "called in" since the last meeting of the Cabinet.	
5.	<p>Items Requiring Urgent Attention To consider any item which, in the opinion of the Chairman requires consideration at the meeting as a matter of urgency.</p>	
6.	<p>Public Participation In accordance with the Council's Scheme for Public Speaking at Meetings of Full Council/Cabinet, to allow members of the public to present petitions, ask questions, or make statements, details of which have been received by 9 am on Friday 8th July 2011. (See front cover for contact details).</p>	

7.	Leader of the Council	John-Paul Champion
7.1	Leader's Announcements	
7.2	<p>St. George's Hall, Bewdley To consider a report from the Director of Planning and Regulatory Services which recommends to Council that the Treasury Management Strategy Statement 2011/12 and Annual Investment Strategy 2011/12 be amended to enable cash flow support of up to £50k be made available to support the refurbishment/extension of St George's Hall, Bewdley.</p>	9

8. Resources & Transformation		Nathan Desmond
8.1	<p>Options Appraisal - Revenues and Benefits Service</p> <p>To consider a report from the Director of Resources which asks for approval of the results of the Revenues and Benefits Service : Options Appraisal and to consider the recommendations from the Overview and Scrutiny Committee meeting held on 7th July 2011.</p> <p><i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i></p>	12
8.2	<p>Contract for the Provision of 4 x Tipper Trucks & 2 x Small Vans</p> <p>To consider a report from the Director of Resources seeking approval to enter into a procurement exercise to purchase 4 tipper trucks and 2 small vans.</p>	15

9.	To consider any other business, details of which have been communicated to the Director of Legal and Corporate Services before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	
10.	<p>Exclusion of the Press and Public</p> <p>To consider passing the following resolution: “That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of “exempt information” as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”.</p>	

Part 2

Not open to the Press and Public

11.	To consider any other business, details of which have been communicated to the Director of Legal and Corporate Services before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting	
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WYRE FOREST DISTRICT COUNCIL

CABINET

THE EARL BALDWIN SUITE, DUKE HOUSE, CLENSMORE STREET,

KIDDERMINSTER

21ST JUNE 2011 (6.00PM)

PRESENT:

Councillors: J-P Campion, N J Desmond, M J Hart, T L Onslow, J Phillips.

Observers:

Councillors: H E Dyke, F M Oborski, J A Shaw, G C Yarranton

The Leader of the Council, Councillor Campion opened the meeting by expressing his gratitude to Councillor Clee and Councillor Hingley for their contribution to Cabinet and to Council and he wished them well in their respective new roles; Councillor Clee as Chairman of the District Council and Councillor Hingley as Mayor of Kidderminster. Councillor Campion welcomed Councillor Phillips to the Cabinet.

CAB.01 Apologies for Absence

It was noted that the director for Community and Partnership Services was unable to attend the meeting.

CAB.02 Declarations of Interest

Councillor declared a personal interest in item 9.2 (minute CAB.10) as a member of the Glades Leisure Centre.

CAB.03 Minutes

Decision: The minutes of the Cabinet meeting held on 19th April 2011 be confirmed as a correct record and signed by the Chairman.

CAB.04 Call Ins

No decisions had been called in since the last Cabinet meeting.

CAB.05 Items Requiring Urgent Attention

Members were advised that there were not urgent items.

CAB.06 Leader's Announcements

None.

CAB.07 Report on Final Accounts 2010/11

A report was received from the Director of Resources on the Final Accounts for 2010/11.

Members were advised of the savings detailed as in the report and advised that £100K would be allocated to the transformation reserve to facilitate the Wyre Forest Forward Programme and a further £25K would be used to create an earmarked reserve in relation to the Diamond Jubilee and Olympics in 2012.

DECISION:

- 1. The additional reserves of £412,400 generated from the 2010/11 surplus be reconsidered in accordance with the Council's Finance Strategy, as part of the 2011/14 Budget Process.**
- 2. That a contribution of £100,000 from the 2010/11 surplus be allocated to the transformation reserve to facilitate the Wyre Forest Forward programme.**
- 3. That a reserve of £25,000 from the 2010/11 savings be used to create an earmarked reserve in relation to the Diamond Jubilee and Olympics in 2012.**

CAB.08 Christmas Holiday arrangements

A report was received from the Director of Legal and Corporate Services presenting proposals in relation to changes to the Christmas holiday arrangement for the Wyre Forest District Council staff during the period between Christmas Day and New Year with effect from Christmas 2011.

Members were advised that this small change to terms and conditions was well received and supported by staff and unions following extensive consultation. Members were further advised that this would generate a saving of approximately £2k.

Members were also reassured that key frontline services would be maintained during this period, and this would include the Hub at the Town Hall, Waste Collection and Street Cleaning and a small IT support team would also be available if required.

DECISION:

Recommended to Council: The Christmas holiday arrangements be changed as detailed in paragraph 3.4 of the report.

CAB.09 Revised Media Protocol

A report was received from the Director of Community and Partnership Services reporting on the development of the Revised Media Protocol for Wyre Forest District Council.

Members were advised that the protocol would ensure Members, Directors and Officers were clear on communication processes and procedures including Facebook and Twitter.

DECISION:

Recommended to Council: The Revised Media Protocol for Wyre Forest District Council as detailed in the report and associated appendices be adopted.

CAB.10 Future Arrangements for the Management of Sport and Leisure Centres

A report was received from the Director of Community and Partnership Services on the future arrangements for the management of sport and leisure centres.

Members were reminded of the Scrutiny Review and Members of the Panel were thanked for their robust examination of the circumstances surrounding the provision of leisure facilities within the District.

Members were further advised of the costs to the Council should the Glades be retained and the leisure facilities at Bewdley and Stourport be transferred to the community.

Members discussed the need for the consultation to be clear and all recognised the importance of ensuring the public were well informed.

DECISION:

- 1. The recommendations from the Overview and Scrutiny Committee on the high level principles for the future arrangements for leisure facilities in the District be noted.**
- 2. A public consultation exercise be carried out between July and September 2011 on the recommendations of the Overview and Scrutiny Committee.**
- 3. A report on the feedback from the public consultation exercise and further in depth financial appraisal of future options be prepared by the Director of Community and Partnership Services in consultation with the Cabinet Member for Community Well Being, the Director of Resources, the Director of Legal and Corporate Services and the Director of Planning and Regulatory Service for consideration by Cabinet in autumn 2011.**

CAB.11 Land adjacent to Puxton Marsh, Kidderminster

A report was considered from the Director of Legal and Corporate Services asking for approval to enter into a Deed of Grant with Bellway Homes Limited to enable them to lay a new surface water sewer route across Council owned land adjacent to Puxton Nature Reserve. Moreover that approval was sought to vary the route of the Council's access over their land onto the Site of Special Scientific Interest (SSSI).

Cabinet were advised that there would be no cost to the Council and Bellway Homes would pay the Council's reasonable Legal and Surveyor's costs incurred in the transaction.

DECISION: That the Director of Legal and Corporate Services in consultation with the Director of Community and Partnership Services be given delegated authority to:

1. Enter into agreements with Bellway Homes Limited and Severn Trent Water to allow access to undertake sewer works across Council owned land adjacent to Puxton Marsh Nature Reserve to serve the proposed housing development and their maintenance until adopted by Severn Trent Water and then to enable Severn Trent Water to subsequently retain and maintain the sewers across the land.
2. Enter into a Deed of Variation to revise the route of the access to Puxton Marsh (Site of Special Scientific Interest) SSSI to enable development of the land adjoining the SSSI to take place.

CAB.12 Exclusion of Press and Public

Decision: "Under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following items of business on the grounds that they involve the likely disclosure of "exempt information" as defined in paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Act.

CAB.13 Provision of a telephone switch, associated software and devices.

A report was considered from the Director of resources that advised Cabinet of the outcome of the procurement exercise for the provision of a telephone switch, associated software and devices.

DECISION: The outcome of the tender evaluation exercise and the award of contract to Vodafone Ltd for the supply of New Telephone Switches, Associated Software and Devices be noted.

There being no further business the meeting closed at 6:30pm

WYRE FOREST DISTRICT COUNCIL

CABINET
19th JULY 2011

St George's Hall, Bewdley

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	-
CORPORATE PLAN PRIORITY:	Securing the Economic Prosperity of the District
CABINET MEMBER:	Councillor J-P Campion
DIRECTOR:	Director of Planning & Regulatory Services
CONTACT OFFICER:	Mike Parker – Ext. 2500 Mike.parker@wyreforestdc.gov.uk
APPENDICES:	None

1. PURPOSE OF REPORT

- 1.1 To agree cash flow support to Bewdley Development Trust (BDT) to enable the drawdown of grant funding from the Rural Development Programme for England (RDPE) for the refurbishment/extension of St George's Hall, Bewdley.

2. RECOMMENDATION

The Cabinet is asked to **RECOMMEND** to Council that:

- 2.1 **the Treasury Management Strategy Statement 2011/12 and Annual Investment Strategy 2011/12 be amended to enable cash flow support of up to £50k be made available to support the refurbishment/extension of St George's Hall, Bewdley.**

3. BACKGROUND

- 3.1 Bewdley Development Trust, acting with Bewdley Festival Committee to form Bewdley Community Venues, has successfully secured 100% of the funding for the project at St George's Hall costing £800k, through Advantage West Midlands(AWM) from the RDPE. The St George's Hall project is the first phase of the long awaited redevelopment of the Load Street area based around the new health centre proposals; the Council has been a partner in this project since inception some 8 years ago.
- 3.2 BDT expect the project to commence in October 2011 and last for 20 weeks, however, the project governance is being transferred from AWM to the Department for the Environment, Food & Rural Affairs (DEFRA) in July and will require re-assessment as part of that transfer. Informal indications are that this should not significantly alter the project.

- 3.3 BDT are seeking support for cash flow funding as the AWM grant has to be claimed back once expenditure has been incurred. BDT are looking for the Council and Impetus (a Hereford & Worcestershire funding body supported by WCC) to forward fund works that would then be reclaimed from AWM.
- 3.4 BDT are seeking funding from Impetus – a Community Development Finance Institution working in the Marches area to improve the economy and environment of the rural area – and WFDC on the basis that they might need up to £125k of cash flow funding at any one time. The maximum Impetus could fund is £50k and they have confirmed their support for this project. It is proposed that the remaining £75k be funded by the district council in partnership with the Community Housing Group, who have also been a key partner in this project from its inception.

4. KEY ISSUES

- 4.1 The Council is not providing any on-going revenue support to the scheme, but by assisting with this cash flow problem the Council will be facilitating investment in Bewdley in support of its Corporate priority theme of Securing the Economic Prosperity of the District.
- 4.2 The project is being managed by Bewdley Community Venues a special purpose company incorporated purely to run this initiative. There is no personal liability for the company's directors and there would be no redress in situation of default against Bewdley Development Trust.
- 4.3 If the Council was to provide cash flow support then this would be an investment which is outside of the Council's approved Treasury Management Strategy Statement and the Annual Investment Strategy 2011/12. These documents were approved by Council on 23rd February 2011, and would require Council approval to amend.
- 4.4 If Cabinet supports the recommendation then the earliest that this could be agreed by Council would be on 27th July 2011. If Cabinet was minded to support the proposal, to provide financial cover for the unlikely event of a default it is suggested that consideration be given to making some contingent provision from the New Homes Bonus 2012/13 in case of contingency need.

5. FINANCIAL IMPLICATIONS

- 5.1 There will be no long term cost to the Council as all monies borrowed plus interest to cover the lost opportunity cost to the council of not being able to invest, will be paid back from the AWM grant allocation.
- 5.2 This proposal is outside the currently approved counterparty list, it is therefore necessary that if supported then they would need to be included before any support could be provided.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 There are no legal implications arising from this report.

7. EQUALITY IMPACT NEEDS ASSESSMENT

7.1 A equality impact assessment is not required.

8. RISK MANAGEMENT

8.1 The risk of default could only arise in the event of a significant overspend on the project; assurances have been given that the scheme costs include a 10% contingency. In addition recognised local professional architects and quantity surveyors have been supporting the project. Given that the project relates to demolition and new build it is therefore felt that the risk is small.

9. CONCLUSION

9.1 This proposal will enable to Council, as a key partner in the Load Street redevelopment proposals, to facilitate the first phase of the works by assisting with up to £50k of cash flow support to BDT. Such support would demonstrate the Council's commitment to its Corporate Plan priority of Securing the Economic Prosperity of the District.

10. CONSULTEES

10.1 Corporate Management Team.

10.2 Sector, Treasury Consultants.

11. BACKGROUND PAPERS

11.1 None

WYRE FOREST DISTRICT COUNCIL

CABINET
19th JULY 2011

Options Appraisal – Revenues and Benefits Service

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	-
CORPORATE PLAN PRIORITY:	Delivering Together, With Less
CABINET MEMBER:	Councillor N J Desmond
DIRECTOR:	Director of Resources
CONTACT OFFICER:	David Buckland – Ext. 2100 David.buckland@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 – Revenues and Benefits Service Options Appraisal Appendix 2 – Results of the Consultation with Staff and Unions (To follow) <i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i>

1. PURPOSE OF REPORT

- 1.1 This report presents for approval the results of the Revenues and Benefits Service : Options Appraisal (Appendix 1). This review follows the approval of the Cabinet Proposal contained in the Financial Strategy 2011/14 for the future delivery of this service to be considered.

2. RECOMMENDATION

- 2.1 **The Cabinet is asked to APPROVE that option 1 be implemented.**

3. BACKGROUND

- 3.1 The review of options has been conducted over the last four months since the approval of the budget. The Cabinet Proposal identified four possible options however it soon became clear that only two options remained viable at this stage:

Option 1 – Remain in-house and work to transform the service.

Option 2 – Join the South Worcestershire Revenues and Benefits Shared Service.

- 3.2 One of the major considerations within the review was the future of the Housing and Council Tax Benefit system. The government has announced plans to introduce a Universal Credit system from October 2013 which will replace Housing Benefit along with other benefits such as income support and job seekers allowance. In addition

Council Tax benefit will be replaced with a simplified Council Tax Discount in April 2013. However, full details are not yet available.

3.3 Within the review this issue was crucial in determining the option which was recommended, it was recognised for instance that savings may be higher by joining the South Worcestershire Revenues and Benefits Shared Service (SWRBSS), however, given the removal of the Housing Benefit service there was insufficient time to recover the implementation costs.

3.4 This review was considered by the Overview and Scrutiny Committee on Thursday 7th July 2011 and the following was recommended to Cabinet:

- 1. To transform the in-house service to increase effectiveness and efficiency.**
- 2. A full review of the opportunity to join a Revenues Shared Service when the position is clear on Universal Credit.**
- 3. Any costs of implementation are met from the provision of £700k for severance costs approved as part of the Financial Strategy 2011-14.**

3.5 In addition there has been a period of consultation with staff and the unions, the results of the consultation are attached at Appendix 2 (to follow). It should be noted that there is overwhelming support from staff for retention of the service in house with the view of transforming using “systems thinking” techniques.

4. KEY ISSUES

4.1 The Cabinet proposal required that whichever option is pursued then savings of at least £150,000 pa were required, each of the options considered provides this level of saving. In addition each option was evaluated against 6 headings:

- Potential to reduce costs
- Set up costs and pay back period
- Implications for proposed changes to Benefits Administration – Universal Credit
- Timescale for implementation
- Level of Risk
- Level of Resilience to service

4.2 These evaluation criteria are in line with the Council's agreed Shared Services Strategy which identifies three main objectives from a Shared Service:

- Demonstrate efficiency and deliver financial savings
- Protect or where possible improve the quality of savings to customers
- Improve the resilience of the service.

4.3 The result of the review has recommended that the in-house option should be implemented, this provides in excess of the required level of savings and it is anticipated will also improve the service to the public. The uncertainty to the future of the service post the introduction of Universal Credit proved decisive in the overall decision making for this review.

5. FINANCIAL IMPLICATIONS

- 5.1 The financial implications are contained within the review, however, the option recommended delivers savings in excess of the £150,000 identified within the Cabinet Proposal approved as part of the Financial Strategy 2011/14.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Council has a legal obligation to enable the delivery of the Revenues and Benefits service, this review recommends that this is undertaken using the Council's own staff.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 Any issues relating to Equality Impact Assessments will be addressed if required throughout the implementation of the chosen option. However, in an initial assessment there do not appear to be any discernable equality needs to be considered.

8. RISK MANAGEMENT

- 8.1 The review does identify the increased risk of the option to remain in-house rather than joining the established SWRBSS. A full risk log for this project plan will be developed and will be monitored by the Director of Resources. On balance it was accepted that the level of risk however is acceptable given the alternative cost of joining the SWRBSS.

9. CONCLUSION

- 9.1 A full and detailed review of the options for the future management of the service has been undertaken and the recommendations are that the service should remain in-house. As mentioned within this report the uncertainty of the role of district councils post the implementation of the Universal Credit has been key in fashioning the recommendations.

10. CONSULTEES

- 10.1 Corporate Management Team.
10.2 Overview and Scrutiny Committee – 7th July 2011.
10.3 Staff.
10.4 Trade Unions.

11. BACKGROUND PAPERS

- 11.1 Financial Strategy 2011/13.
11.2 Council – 15th November 2006.

**Revenues and
Benefits Service:
Options Appraisal**

**Wyre Forest
District Council**

June 2011

1. Introduction

- 1.1 The purpose of this document is to review options for the future delivery of the Revenues and Benefits service for Wyre Forest District Council.
- 1.2 The Council approved the Shared Services strategy at its meeting on 23 February 2011. The main objectives of the strategy are to:
- Demonstrate efficiency and deliver financial savings
 - Protect or where possible improve the quality of services to customers
 - Improve the resilience of a service
- 1.3 Since the announcement of the outcome of the Comprehensive Spending review in 2010 (CSR10), this approach has become even more important in enabling the Council to balance its budgets.
- 1.4 Within the Cabinet proposals approved as part of the budget process in February 2011 was the requirement to reduce the cost of the service by at least £150k pa from 2012/13. This paper examines options for the delivery of this savings target
- 1.6 It is recognised that the implementation of a shared service for the Revenues and Benefits function would potentially have an impact on the members of staff who currently run the service, as well as the ICT systems that underpin it. In addition, it would have implications for the back office services which currently support the in house service.
- 1.7 Given the scale of this service, and its importance to the Council, the following criteria have been used for purposes of this review:
1. Potential to reduce costs
 2. Set up costs and pay back period
 3. Implications for proposed changes to Benefits administration - Universal Credit
 4. Timescale for the implementation
 5. Level of risk involved in the transition upon Performance
 6. Level of Resilience of the New Arrangements
- 1.8 This document considers two main options for the future delivery of the Revenues and Benefits service.
- Option 1 – Remain in-house, whilst transforming the service through “Systems Thinking” and homeworking to become more effective and efficient.
- Option 2 – Join the existing Shared Service in South Worcestershire (SWRBSS)
- 1.9 Two other options of “status-quo” and working with another local authority for shared services have not been considered. The status quo option would not provide the savings that the Council requires and in relation to another partner it is believed that there are sufficient options in working within Worcestershire.

2. Background Information

2.1 Introduction

2.1.1 The Revenues and Benefits service is located within the Resources Directorate and is one of the largest services within the Council.

2.1.2 Currently the service employees around 50 Full Time staff with the main workloads for the service being as follows:

- Collection of Council Tax – £57m pa from 44,750 properties
- Collection of Business Rates - £25m pa from 3,200 businesses
- Payment of Housing Benefits – £28m around 10,900 claimants
- Administration of Council Tax Benefit - £8.5m around 8,000 properties

2.1.3 The gross cost of the administration for Wyre Forest Revenues and Benefits Service for 2011/12 is approximately £2.7m, inclusive of internal support service charges. The Council does receive income from the Department for Work and Pensions for the administration of the Benefits service and also receives a grant from Department of Communities and Local Government towards the cost of administering Business Rates. The table below identifies the major areas of cost:

Type of Expense	Revenues Service £'000	Benefits Service £'000	Total £'000
Salary Costs	406	976	1,382
Premises Costs	16	47	63
Transport Costs	1	2	3
Supplies and Services	199	316	515
Support Services	311	427	738
Capital	1	0	1
Gross Expenditure	933	1,768	2,701
Income	(281)	(887)	(1,169)
Net Expenditure	652	881	1,532
Staffing – FTEs	14.8	35.1	49.9

2.1.4 Attached at Appendix A is a more detailed analysis of the current budget, and the current staffing structure is attached at Appendix B

2.1.5 In the last two years the number of benefit claimant has increased significantly. The increase has been around 20% year on year. In addition with the number of new claimants over this period has almost doubled. The obvious reason for the increase in the claimant numbers relate to the impact of the wider economic conditions that are affecting the country. During the same period the collection rates for both Council Tax and Business Rates has remained constant.

2.1.6 This background section of the options appraisal sets the context for the appraisal of the options, it is clear however that the environment for the revenues and benefits service is evolving on a national scale as a result of the government's deficit reduction plans. The most significant impact for the service relates to the proposed introduction of Universal Credit from October 2013, which is planned to replace Housing Benefit and change the method for supporting individuals in paying Council Tax.

2.1.7 The Worcestershire Hub is a major factor in the delivery of Revenues and Benefits services. Both of the options considered assume a close working relationship with the Hub, which would continue to develop into the future

2.2 Performance Statistics

- 2.2.1 As at 31st January 2011 the joint Housing Benefit and Council Tax live caseload for Wyre Forest was 10,839 of which 72.83% are of pension age.
- 2.2.2 Actual work output for the period of April 2010 to 28th February 2011 the Benefits Section processed 38,746 claims, 5,410 being New Claims (14%) and the residue 33,336 being changes to circumstances (86%).
- 2.2.3 Recent performance statistics indicate that Wyre Forest's performance is on a par with other districts within the County.
- 2.2.4 As anticipated, SWRBSS performance dipped during the creation of the Shared Service. This was exacerbated by the impact of the economic downturn. However, the backlog has been addressed and current performance is now on a par with the other districts.
- 2.2.5 The table below shows the current key performance statistics for Benefits processing – which is the most volatile element of the Revenues and Benefits workload.

	TOTALS					
	Bromsgrove	Redditch	Malvern Hills	Worcester	Wychavon	Wyre Forest
No. of new claims	2476	5030	2699	5441	4037	4547
No. of days taken	49003	96997	76129	152304	124591	113191
Average	20	19	28	28	31	25
No. of change events	11575	24711	14557	27014	20471	26668
No. of days taken	89793	249637	136643	284882	211568	286890
Average	8	10	9	11	10	11
NI181 average	10	12	12	13	14	13
Staffing numbers	20	36.5	25*	35*	35*	52
Cost of service						

* *Approximate split of SWRBSS staff numbers / cost of service*

- 2.2.6 The table demonstrates that the current performance across Worcestershire is similar, attached at Appendix C is a detailed schedule identifying performance across all indicators the Council still maintains.
- 2.2.7 It is worth noting that the dip in performance suffered by the SWRBSS which was widely reported has now been fully addressed. Indeed their performance and the success of the partnership have been recognised by the Department for Work and Pensions.

2.3 Impact of Universal Credit

- 2.3.1 The DWP has recently published the Welfare Reform Bill which indicates that Housing Benefit will be abolished in favour of the Universal Credit, to be administered by the DWP. Similarly, Council Tax Benefit will be abolished in favour of a Council Tax Local Discount Scheme to be administered by Local Authorities. The DWP is also considering transferring other administration functions which they currently carry out to the responsibility of Local Authorities but no decision has been made as yet.
- 2.3.2 There has already been slippage to the original timescale of the implementation of the Universal Credit but effectively if there are no further changes to the original intentions and plans, Local Authorities will not be responsible from October 2013 for any new applications for Housing Benefit which will be made as a Universal Credit. The existing live caseload of Housing Benefit claims will remain with Local Authorities until an individual claim is no longer entitled to Housing Benefit or the Local Authority's Housing Benefit caseload is migrated to Universal Credit which will be between October 2013 and March 2017. It is also suggested that the Council's Fraud Team would transfer to the DWP by March 2013.
- 2.3.3 The new Council Tax Discount Local Scheme is due to replace the existing Council Tax Benefit from April 2013. The Council will have the responsibility of setting a local scheme for the future administration of this service, however, in reality it is likely that such a scheme is developed on a regional or sub-regional basis to ensure consistency.
- 2.3.4 The DWP have indicated that the administration of Universal Credit will be centralised and believe that the majority of their Customers requiring Universal Credit either have access to the internet or are able to negotiate the internet confidently in order to make their applications and any enquires on line. This assumption is somewhat questionable, and there is still a possibility that a "face to face" element will continue to be required for some further period of time. There are indications within the White Paper that the DWP would expect Local Authorities to act as the front line with regards to Universal Credit.
- 2.3.5 From the above it is clear that there can be little confidence at this stage about how these changes will be implemented, what the outcome will look like, or when it will all be finalised. This uncertainty makes it difficult to plan for the future of the service within Wyre Forest.
- 2.3.6 However, the government requires these reforms in order to deliver the level of savings required from the National benefits payments bill. The Council has made representations to the government on the involvement of the current benefits section in the delivery of the Universal Credit system, however, to date it is understood that our involvement is likely to be minimal.
- 2.3.6 The impact of Universal Credit is key to the consideration of options for the future of the Revenues and Benefits service, any option which involves transfer to different systems for the administration of service would have a limited life. Therefore, this is one of the key areas that need be considered in the options appraisal.
- 2.3.7 In addition to the impact upon the Revenues and Benefits section the introduction of the Universal Credit will also significantly impact upon the operation of the Hubs throughout the district. The vast majority of visitors to the Hub relate to the Benefits service and therefore the Council will need to assess the impact of this change on the service going forward.

3. Identification of Options

This section identifies the options which are being considered for the future delivery of the Revenues and Benefits Service:

3.1 Option 1 – Remain in-house, whilst transforming the service through “Systems Thinking” and homeworking to become more effective and efficient.

Service delivery model:

- 3.1.1 *In house provision, as now, but incorporating service improvements and procedural changes arising from transformational work based on systems thinking.*
- 3.1.2 This approach is in line with the pilots which are being supported by Improvement and Efficiency West Midlands who are supporting Redditch and Bromsgrove with the implementation. Discussions have already taken place with representatives from Bromsgrove and Redditch Councils and they are examining ways in which a transformation programme could stream-line the service, and thereby generate savings.
- 3.1.3 This option involves the operations remaining in-house, however, Wyre Forest would continue to work closely with Bromsgrove and Redditch Councils, to take advantage of this activity.
- 3.1.4 In addition the Council has invested heavily in new technologies to allow for changes in working practices such as homeworking, e-billing and bar-coding of correspondence etc. This option will allow the benefits of this investment to be realised through greater productivity from such workers allowing for a reduction in the overall number of staff deployed.
- 3.1.5 The approach is based on “systems thinking”, which focuses on the service from the customer point of view and attempts to identify essential tasks, and eliminate “failure demand”.
- 3.1.6 The in-house option has been fully costed within the Financial Section on this report on the basis that the Council does not move into a shared service at this stage. However, it is possible that in the future this option could evolve into a shared service, especially for the Revenues service, following the clarification and implementation of the Universal Credit benefits regime. This would be assisted through the common approaches that all three councils may adopt under the “Systems Thinking” review.
- 3.1.7 To deliver the required savings this option proposes the removal of 7 staff from the current establishment, along with significant changes to responsibilities to another. This option will deliver annual staffing savings of £174,000, however, does include costs for implementation save the necessary severance payments. Attached at Appendix D is the proposed new structure of the section from 1 April 2012 to deliver this option. Full details of posts affected are shown in Appendix E.

- 3.1.8 By retaining the service in house, staffing arrangements would not significantly change – other than in ways that are currently planned, such as New Headquarter and Mobile / Flexible working. It is not possible to predict at this stage how much change would be necessary however following the adoption of the “Systems Thinking” approach. If this option is pursued as a Shared Service in the future then further changes would be required.
- 3.1.9 The impact upon the Council’s support services would be minimal at this stage. No changes would be needed, other than those resulting from (relatively) minor changes in procedure. (Of course, a North Worcestershire Shared Service would have an impact on the support services, depending on the chosen host.)
- 3.1.10 The following section considers the evaluation criteria identified within section 1.7 of this paper.

Key criteria:

3.1.11 Potential to reduce costs

The lean / systems thinking transformation process is necessarily uncertain, since from the outset it is based on making very few assumptions about what the outcome will be! Therefore, it makes it difficult to project the final level of savings that could be achieved. However, the savings target for Redditch and Bromsgrove has been set 30% of current direct costs (approximately £430,000), and this should give some indication of the potential. Of course, that is based on combining the management of the Bromsgrove / Redditch teams. At this stage Wyre Forest the assumption is that savings of £174,000 (13% of the employee costs) can be achieved. However, following further transformation it is hoped that this figure could be increased in the future.

3.1.12 Set up costs and pay back period

On the basis that the transformational changes would not lead to a requirement for a new ICT system, there would be minimal set up costs. The Council currently uses the IBS system which is also used in Redditch Borough Council. However, if this arrangement were to develop into a Shared Service in the future, there may well be significant ICT costs to be factored into the equation. This issue is fully considered within the finance section of this paper.

3.1.13 Implications for proposed changes to Benefits administration - Universal Credit

Uncertainty about the nature of the transformational changes, added to the uncertainty about the impact of Universal Credit makes it exceedingly difficult to project the implications for the future.

The Council will continue to participate in the countywide Revenues and Benefits forum to exchange knowledge and approaches on the implementation of Universal Credit. This option would give the Council the flexibility to react to the position when the final details are released, in that the Council would not be contractually committed to a level of service delivery.

This option would also allow an assessment to be made surrounding future shared service options following the publication of the final details of the Universal Credit scheme. It is suggested that a further review on the creation of a Shared Revenues Service with Bromsgrove and Redditch, be conducted when the impact is fully known.

Whatever option is approved for Revenues and Benefits by 2017 it is likely that the Council will have no role in the administration of benefits at all. Therefore, although this option does require a reduction in the establishment, the staffing levels will need to be constantly reviewed along with the implementation of Universal Credit.

The government has suggested that it would consider meeting the cost of implementing Universal Credits, however, no firm commitments or detail is currently available.

3.1.14 Timescale for the implementation

The initial timescale for the implementation of the savings of £174,000 would be 1 April 2012 and therefore in line with the requirement from the Cabinet. However, further work would still be progressed after this initial implementation with the long term view of further reductions in cost and improved customer service. The ultimate decision on whether to progress to a full shared service would be taken during 2013 when the position on Universal Credit had been fully clarified.

3.1.15 Level of risk involved in the transition upon Performance

Service risk: Assuming that the transformational process would not involve major changes, the risk of disruption to service would be minimal – until the point at which a new North Worcestershire Shared Service was created. However, if demand upon the service continues to increase then the position would need to be monitored closely to ensure that the level of performance is maintained

Financial risk: However, due to the uncertainty surrounding the transformational process, risk that significant savings might not be achieved within acceptable timescales would be relatively high.

3.1.16 Level of Resilience of the New Arrangements

This option is placing reliance upon transformational change to delivery the increases in efficiency required to meet the savings target. It need to be recognised that this option seeks to deliver a comparable service to current with fewer resources and therefore fewer staff. Therefore under this option within the Council there is less resilience than the current situation. However, the transformation exercise which is planned alongside Redditch and Bromsgrove should mitigate this risk to a degree, with the view of implementing common working practices across the three authorities.

3.2 Option 2 – Join the existing South Worcestershire Revenues and Benefits Shared Service (SWRBSS)

Service delivery model

- 3.2.1 *A hosted service with a single workforce, streamlined management structure, common processes and procedures and converged ICT systems – on the same ICT platform as SWRBSS. Wychavon is the host authority for SWRBSS.*
- 3.2.2 The South Worcestershire Councils (Malvern Hills, Worcester City and Wychavon) created the South Worcestershire Revenues and Benefits Shared Service (SWRBSS) in 2007. This came out of the work which was conducted in 2005/6 towards a potential county-wide service. This shared service was considered by Wyre Forest District Council at the time however the Council (15 November 2006) chose not to participate at that time.
- 3.2.3 SWRBSS experienced a number of challenges during its formation, including major changes to the ICT platform, as well as the growing pains of creating a new organisation from three teams with very different cultures. This was exacerbated by the onset of the financial down turn, and resulted in some initial performance dips. However, it has come through those difficulties and is now delivering the level of savings projected in the Business Case. This amounts to £1,000,000 between the three Councils.
- 3.2.4 Having come through these difficulties, SWRBSS feels confident that it is well placed to work with other Councils to grow the partnership. It believes that it has the skills and experience to deliver the changes necessary to generate the savings that Wyre Forest DC needs for the future. The performance for the shared service is now in line with the other Worcestershire authorities.
- 3.2.5 SWRBSS has a well defined structure and mode of operation. It is anticipated that a new partner would be integrated into this model. Essentially the model involves a single management structure and teams focussing on specific areas of expertise. The ICT suite operates as a virtual single system, so that staff can be deployed flexibly, to meet the varying requirements of the workload. It is fair to say that of all of the operating Shared Service models for Revenues and Benefits the SWRBSS is now regarded as one of the most successful nationally by the DWP.
- 3.2.6 The current proposal in relation to the shared service would require the Council to migrate onto the ICT system which is being utilised by SWRBSS. There are costs involved in such an exercise and these are identified within the finance section, however, the Council can be reassured that the shared service has the necessary experience to implement an authority onto the Academy system from WFDC's IBS system. In addition the SWRBSS are using the same document work-flow system which is being used within WFDC.
- 3.2.7 When original established the Shared Service required the relocation of all staff to the offices at Pershore. However, with the development of more robust home-working technology, SWRBSS would be content for 15 staff to continue to work remotely or as present from home, however, they would require the remaining staff to relocate.

- 3.2.8 SWRBSS operates a policy of encouraging Mobile and Flexible working, and has various staff already working from home, as well as outlying offices. However, in order to operate most effectively, SWRBSS anticipates that all staff would need to attend the HQ (in Pershore) at least from time to time, for management and development purposes, and to safeguard the effectiveness of the service they operate on behalf of all partners. This is no different from the Council's current policy however, under this option the distances are increased.
- 3.2.9 The Business Case in 2006 did assume that significant savings could be achieved from residual support services as a result of the shared service. An assessment of realistic support service savings has been included within the finance section, however, it would be necessary to progress a Transfer of at least two members of ICT staff into the further TUPE process to the South Worcestershire ICT Shared Service (hosted by Worcestershire County Council).
- 3.2.10 As with all Shared Services, there would be significant activity for Finance, HR, ICT and Legal. However, as this is an existing Shared Service, the impact would be somewhat less than for a new Shared Service – as it would have finite objectives, with less uncertainty surrounding the ultimate outcome. To ensure that the option provides a return for the Council it would be necessary to make reductions in residual support service costs.
- 3.2.11 This option involves the reduction on 15 staff from the establishment equating to just over 14 FTES. The positions are almost exclusively related to management responsibilities and these are already filled within the SWRBSS. SWRBSS has a well structured management team in place. This would make it more likely that any staff savings would occur predominantly at the managerial level, rather than at the practitioner level. It should also be noted that this option is not supported by the staff within the Revenues and Benefits section.
- 3.2.12 The level of savings from this Shared Service are lower than when considered in November 2006, the main reasons being:
- Savings have already been taken from the service since 2006, with reductions in senior management positions
 - Savings have been made from the Council's Support Services and therefore cannot be double-counted within this Option.
- 3.2.13 The Council is not contractually committed to the ICT system which is currently being used by the service. It would therefore be possible for the Council to serve notice to the current provider and face no penalty charges. The Council currently spends around £70k on specific licences for the Revenues and Benefits service.
- 3.2.15 The current estimate of the net savings of this option is around £214,000 for a full year starting 1 June 2012. However, the cost of implementation of this option is significantly higher than Option 1, due to the need to implement a new ICT solution, and the severance costs are significantly higher. This is fully detailed within the finance section of this paper. The savings attributable to 2012/13 would therefore be in the order of £177k.

Key criteria:

3.2.15 Potential to reduce costs

SWRBSS are confident that they can deliver staffing savings of £424,000 and there are also direct savings on the current ICT systems of around £70,000 that can be achieved and further savings on residual support service costs. However, the Council needs to also consider the “management” fee that would replace the staffing costs and the “fair” proportion of the additional support service costs that would be incurred by the host.

3.2.16 Set up costs and pay back period

These are significantly higher than Option 1 and are fully detailed within the finance section. The main areas of expense relate to both the acquisition and implementation of a new ICT solution along with severance costs for up to 15 staff.

3.2.17 Implications for proposed changes to Benefits administration - Universal Credit

From discussions with the Head of SWRBSS, the South Worcestershire approach would offer the opportunity for Wyre Forest to join the Shared Service prior to the implementation of Universal Credit. This would enable Wyre Forest to reduce the risks associated with the transition to Universal Credit, however, if a further round of reductions in staff are required then effectively the Council could be paying for two rounds of redundancy.

The Council would be contractually committed to the partnership and therefore arguably less flexibility. SWRBSS is managed by a Joint Committee at which the Council would have representation.

However, as discussed within section 3.1.12, the government has suggested that assistance may be available to meet the cost of implementing Universal Credits including severance.

3.2.18 Timescale for the implementation

SWRBSS is confident that an implementation project lasting between nine and twelve months would be achievable, from the point at which the decision is made. Therefore

3.2.19 Level of risk involved in the transition upon Performance

Service risk: As the Shared Service already exists, the incorporation of an additional team would minimise the degree of risk. This route is tried and tested and whilst it is recognised that there was a dip in performance for the SWRBSS when established this is unlikely to be repeated for an additional authority joining the partnership

Financial risk: SWRBSS has achieved the level of savings it projected in its Business Case back in 2006/7. It has a track record of delivery, which minimises the degree of risk to Wyre Forest achieving the projected level of savings.

3.2.20 Level of Resilience of the New Arrangements

This option provides increased resilience over the current arrangements. The current establishment of the SWRBSS is 95, and this would increase to around 130 if WFDC was to join. This compares to the Option 1 which would result in an establishment of 43 FTE at WFDC. This not only increases the resilience to the service but also increases opportunities for staff

4. Financial Comparison of Options

- 4.1 The table below provides a financial comparison of the changes to the current budget for each of the options considered and the payback time for each option. The list of the posts affected by each of the options is identified in Appendix D.

	Option 1 £000	Option 2 £000
Revenue Savings		
- Salary Costs	(174)	(424)
- Other Direct Costs – ICT licences	0	(70)
- Residual Support Service (*)	0	(125)
- Accommodation savings (**)	n/a	n/a
Total Revenue Savings	(174)	(619)
Additional Revenue Costs		
- “Management Fee”	0	150
- Pay Harmonisation and Car Parking	0	56
- Support and Accommodation Charges (**)	0	199
Total Additional Revenue Costs	0	405
Annual Net Revenue Savings	(174)	(214)
One Off Costs:		
System Acquisition (capital)	0	160
System Implementation (capital)	0	177
Other One-off costs (mostly revenue)	0	176
Severance Costs (revenue)	49	232
Total One-Off Costs	49	745
Payback period	0.3 years	3.5 years

(*) – Main area of savings c£80k relates to ICT and would require the TUPE transfer of 2 members of staff to the South Worcestershire ICT Shared Service

(**) – Under Option 1 or 2 no allowance has been made in relation to the possibility of realising income from the c. 20 desks which have been allowed within the New Head Quarters through letting surplus accommodation Both options provide additional area which could generate income for the Council.

- 4.2 It is clear that the option to join the shared service has significantly higher financial one-off financial implications than the option to remain in-house. The figures that have been included for system acquisition and implementation have been supplied by SWRBSS.
- 4.3 The severance costs for Option 1 are indicative; the proposal would require a redundancy selection process to be undertaken in line with the Council’s established policy. However, to inform the process an estimate needs to be included.
- 4.4 The severance costs for Option 2 are in line with posts which have been identified by SWRBSS as being surplus to the requirements of the shared service.

- 4.5 The total capital cost of Option 2 is around £513k, at present no capital budget exists for this scheme and if this was the preferred option then allowance would need to be made within the Capital Programme. It should be noted however that the payback period is only achieved after the assumed implementation date of Universal Credits. It should be noted that no allowance has been made with any borrowing costs which may result following the capital expenditure at this stage.
- 4.6 It is not possible to forecast the consequence of Universal Credits on either Option 1 or Option 2. The new benefit system is due to be implemented in October 2013, at which time new claimants will be dealt with through this route and the Council will maintain current claimants. However, it is clear that the level of claimants that the Council deals with will reduce to 0 by 2017.

5. Evaluation of Options

- 5.1 Section 1.7 identified the evaluation criteria to be applied to each of the proposals in assisting with the recommendations for the future delivery of the revenues and benefits service.
- 5.2 In making the determination where possible reference is made to objective measures such as cost, however, it is necessary on the minority of measures to use a degree of subjectivity.

	Weighting	Option 1	Option 2
Evaluation Criteria:			
Potential to generate savings	1-20	17	20
Set up costs / payback period	1-10	10	2
Implications for proposed changes to Benefits administration - Universal Credit	1-10	9	5
Clarity of timescale for the implementation	1-10	9	7
Mitigation of risk involved in the transition upon Performance	1-10	5	8
Level of Resilience of the New Arrangements	1-10	3	8
Total		53	50

- 5.3 In relation to the scores for savings and payback, whilst Option 2 provides the higher on-going revenue savings for the Council, the payback period is significantly higher than Option 1. This is due to the costs of nearly £750k that would be required in one-off costs mainly relating to system acquisition and implementation.
- 5.4 In relation to the impact of Universal Credits it is determined that the in-house option will allow the Council to react more quickly to the changes which are inevitable. There is a concern under Option2 that the Council could incur severance costs under this option that may be repeated through the transitional phase of the introduction of Universal Credits. However, there are indications that the government will at least consider contributing towards such costs there is no confirmation at this stage.
- 5.5 The changes proposed under Option 1 are less dramatic than Option 2 and it is felt that these could be more easily accommodated within the team. Therefore in relation to the section on timetable it is felt that Option 1 would have the advantage.
- 5.6 Finally in relation to the assessment of the overall risk and resilience it Option 2 which has now been tried and tested provides the lowest risk to the service performance.
- 5.7 Option 1 requires the removal of 6 posts and therefore means the team reduces to 43 FTE and does place reliance upon increased productivity and transformational change. Option 2 however would have the advantage in this section as the service would be delivered by a team of around 130 FTE if the SWRBSS was expended.

6. Conclusion

- 6.1 This paper has carefully considered the issues relating to the options for the future service delivery for the revenues and benefits service, these being:
- Option 1: remaining in-house whilst transforming the service using “systems thinking” techniques.
 - Option 2: joining an existing Shared Service.
- 6.2 This review has been undertaken with the co-operation of the Revenues & Benefits service, Redditch and Bromsgrove councils and the South Worcestershire Revenue and Benefits Shared Service. It is appropriate that thanks are given for all of the hard work and effort that has gone into this exercise.
- 6.3 What is clear is that this is going to be an area that the Council will oversee significant change whatever decision is made by the Council. The introduction of Universal Credits will have major implications for the service directly, but will also have significant impacts on associated services such as the Hub and the Council’s support services.
- 6.4 It is also evident that the level of savings that could be achieved from the Shared Service Option 2 are now lower than were estimated in 2006. This is mainly due to the Council securing savings through other means including restructuring the Council in March 2009 and through reductions in support service costs.
- 6.5 The partners involved in the SWRBSS have worked extremely hard in achieving and exceeding their own savings targets and though performance dipped initially, they are now operating at comparable levels to the northern authorities and have managed to secure annual savings of around £1m. If the Council joined this shared service then it could be guaranteed a level of saving and also be reassured that performance should be maintained.
- 6.6 Option 2 however requires the Council to make an investment of almost £750k on a service which will begin to wind down in just over 2 years. This is well before the payback period of the change will be met. The uncertainty surrounding Universal Credits means that it is difficult to justify this level of expenditure. In addition no guarantees have been made that the Council could enjoy the savings identified when in October 2013 the service begins to be phased out.
- 6.7 Both Option 1 and Option 2 exceed the savings target that the Cabinet identified within the budget proposals, with Option 2 providing the higher annual level of saving. However, the evaluation undertaken at section 5 which includes the one-off costs identifies that the preferred option is Option 1.
- 6.8 Option 1 is significantly less expensive to implement, and has the support of the staff within the Revenues and Benefits section. Although this option carries a degree more risk, this can be overcome through strict performance and project management criteria. In addition, the joint work on transformation with our northern partners will encourage innovative thinking across all three authorities and will leave the Council in a strong position to consider shared service options for the revenues service post the implementation of Universal Credit.

7. Recommendation

- 7.1 The recommendation to the Cabinet is that the option to be implemented to provide the savings identified within the Financial Strategy 2011-14 is Option 1, i.e.

To transform the in-house service to increase effectiveness and efficiency;

A full review of the opportunity to join a Revenues Shared Service (when the position is clear on Universal Credit) be undertaken by December 2012;

Any costs of implementation are met from the provision of £700k for severance costs approved as part of the Financial Strategy 2011-14.

**David Buckland
Director of Resources**

Background information

Consideration of Revenues and Benefits Shared Services - Council – 15 November 2006 –
Financial Strategy 2011-14 – Council – 23 February 2011

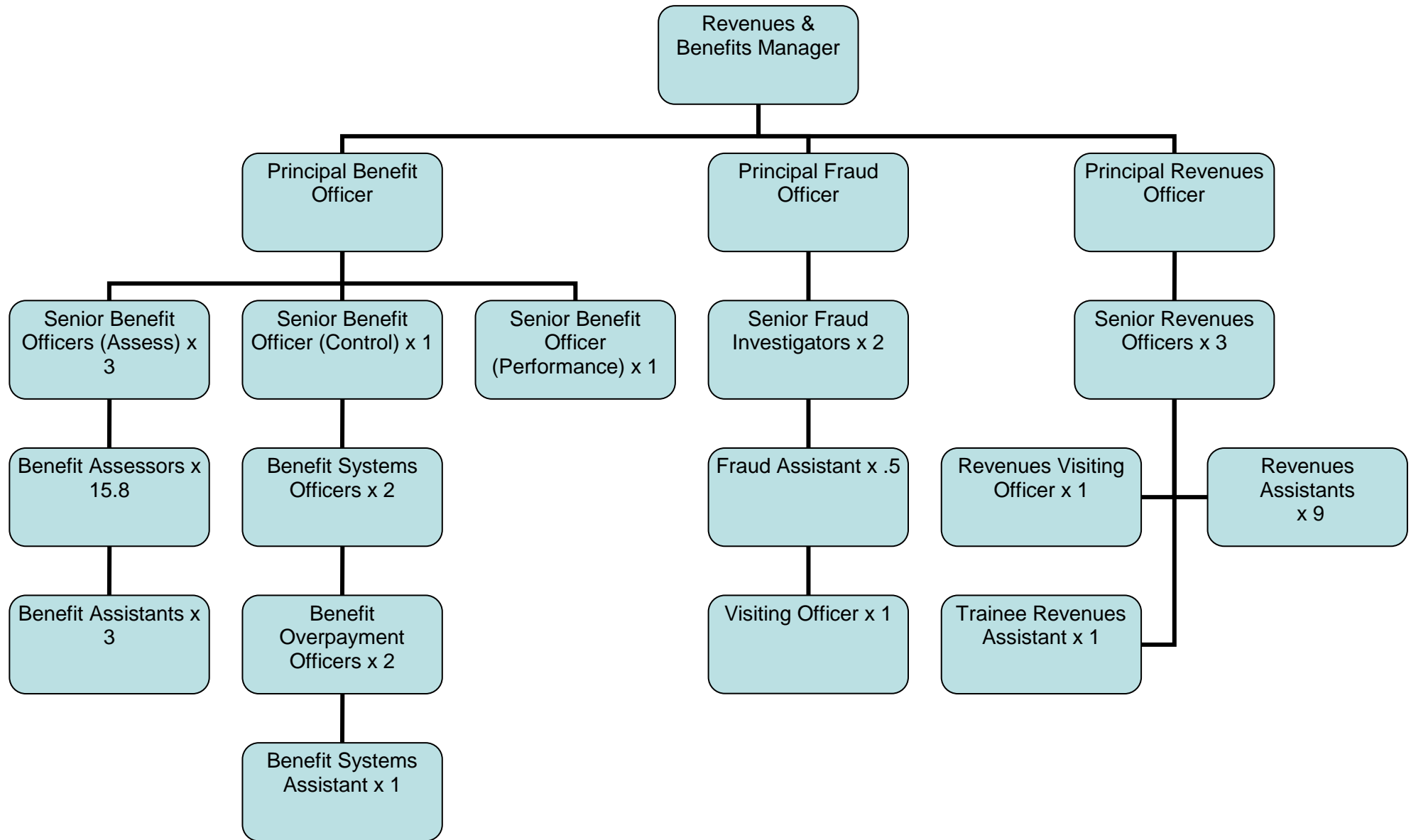
Universal Credit “White Paper” – 11 November 2010

Welfare Reform Bill – 16 February 2011 – Department for Works and Pensions

APPENDIX A

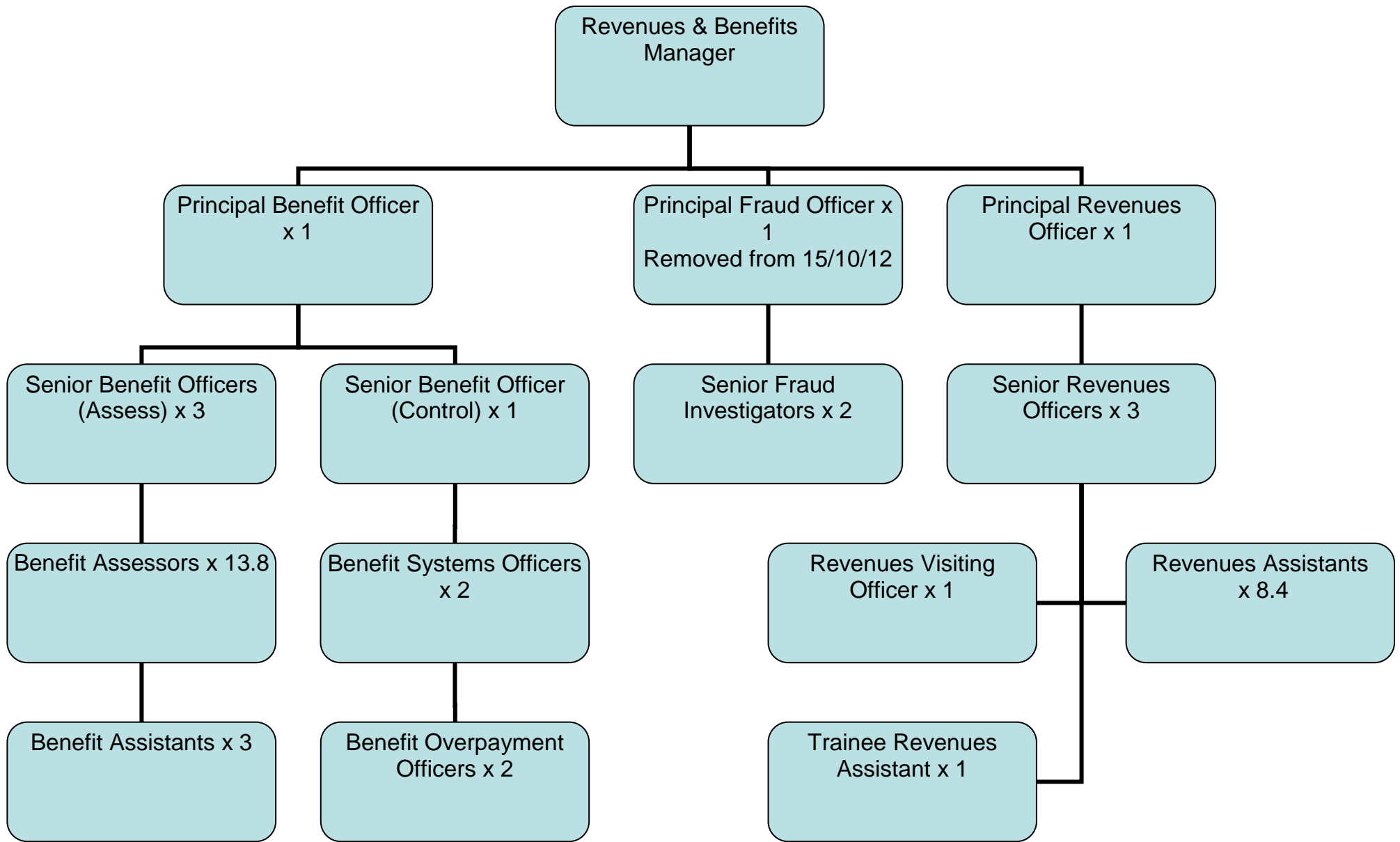
	Revenues Budget 2011/12 £	Benefits Budget 2011/12 £	Total Budget 2011/12 £
EMPLOYEES			
Direct Employee Costs	402,850	970,030	1,372,880
Vacancy Saving	-4,710	-12,010	-16,720
Indirect Employee Expenses	7,450	17,980	25,430
PREMISES			
Operational Buildings	15,550	47,290	62,840
TRANSPORT			
Public Transport	100	250	350
Car Allowances	1,300	1,400	2,700
SUPPLIES & SERVICES			
Equipment, Furniture & Materials	2,300	1,700	4,000
Clothing, Uniforms and Laundry	10	100	110
Printing, Stationery & General Office Expenses	19,350	34,680	54,030
Services	42,050	12,760	54,810
Communications & Computing Expenses	130,810	259,320	390,130
Grants & Subscriptions	4,300	6,100	10,400
SUPPORT SERVICES			
Resources	78,730	123,370	202,100
Legal & Corporate Services	4,160	17,570	21,730
Convenor Recharges	880	2,090	2,970
Human Resources	13,860	29,460	43,320
Worcestershire Hub	213,660	254,090	467,750
CAPITAL CHARGES			
Depreciation	610	0	610
GROSS EXPENDITURE	933,360	1,767,780	2,701,140
INCOME			
Government Grants	-139,930	-862,520	-1,002,450
Customer & Client Receipts	-141,450	0	-141,450
Recharges to Other Services	0	-24,720	-24,720
GROSS INCOME	-281,380	-887,240	-1,168,620
NET EXPENDITURE/(INCOME)	651,980	880,540	1,532,520

Combined Structure of Revenues and Benefits as at 01/04/11



Performance Statistics – Revenues Service – 2011/12

Description	Target	April	May	June	Q1	July	Aug	Sept	Q2	Oct	Nov	Dec	Q3	Jan	Feb	March	Q4	AV/YTD
COUNCIL TAX																		
% COLLECTED																		
Bromsgrove																		
Herefordshire																		
Malvern Hills		10.64	20.35	30.0		39.58	48.45	58.62		68.30	77.80	87.37		96.6				
Redditch																		
Worcester		10.91	20.30	29.75		39.13	48.33	57.99		67.54	76.95	86.30		95.45				
Wychavon		10.99	20.63	30.23		39.82	49.22	59.09		68.71	78.18	87.64		96.82				
Wyre Forest	98%	11.05	20.69	30.16	30.16	39.59	49.00	58.60	58.60	67.98	77.42	86.52	86.52	95.76	96.82	97.58		
NON-DOMESTIC RATES																		
% COLLECTED																		
Bromsgrove																		
Herefordshire																		
Malvern Hills		9.52	18.97	30.01		39.00	51.99	62.48		71.13	80.31	89.35		97.10				
Redditch																		
Worcester		10.89	19.56	30.99		39.61	52.16	62.46		70.45	79.78	88.78		97.06				
Wychavon		9.90	19.32	28.65		37.73	49.89	60.71		69.48	78.63	87.23		95.13				
Wyre Forest	97%	10.99	20.07	29.93	29.93	38.46	50.18	61.03	61.03	69.78	79.65	88.05	88.08	96.76	97.68	98.27		



Option 1 – In - house

Posts to be removed from establishment

- 1 x Principal Fraud Investigator
- 1 x Senior Benefit Assessor
- 3 x Benefit Assessor / Visiting Officer
- 1 x Benefits Assistant
- 1 x Revenues Assistant

Significant Changes to responsibilities

- 1 x Administration Assistant – redesignated – Trainee Revenues Assistant (regraded from Grade B to Grade D)
-

Option 2 – South Worcestershire Revenues and Benefits Shared Service

Posts to be removed from establishment

- 1 x Revenues and Benefits Manager
- 1 x Principal Revenues Officer
- 2 x Senior Revenues Officers
- 1 x Administration Assistant
- 1 x Principal Benefits Officer
- 1 x Principal Fraud Officer
- 3 x Senior Benefit Assessors
- 1 x Self employed Assessor
- 2 x Benefit Assessor / Visiting Officer
- 2 x Benefit Assistant

WYRE FOREST DISTRICT COUNCIL**CABINET**
19TH JULY 2011**Contract for the Provision of 4 x Tipper Trucks & 2 x Small Vans**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	Stronger Communities
CORPORATE PLAN PRIORITY:	Delivering Together with Less
CABINET MEMBER:	Councillor N J Desmond
DIRECTOR:	Director of Resources
CONTACT OFFICER:	David Tirebuck, Ext. 2102 david.tirebuck@wyreforestdc.gov.uk
APPENDICES:	None

1. PURPOSE OF REPORT

- 1.1 Approval of the Cabinet is required by the Contract Procedure Rules to enter into a procurement exercise where the value of the purchase is over £150,000. In accordance with the Fleet Renewal Schedule, it is necessary to purchase 4 tipper trucks and 2 small vans, budget approval for which has been granted within the Council's Capital Budget for Vehicle Replacement. The purpose of the report is to seek approval to: enter into the procurement exercise; to use the suggested evaluation model and to obtain delegated authority for the Director of Resources to award the Tipper and Small Vans Contract once the evaluation model has been applied.

2. RECOMMENDATIONS**2.1 The Cabinet is asked to APPROVE that:**

- 2.1.1 the procurement exercise for the purchase of 4 tipper trucks and 2 small vans using the Yorkshire Purchasing Organisation's (YPO) Vehicle Framework Agreement should be entered into;**
- 2.1.2 the evaluation model set out at paragraph 4.3 to this report should be used in evaluating responses to the mini-competition exercise conducted through the Framework; and**
- 2.1.3 delegated authority be granted to the Director of Resources to award the Contract to the highest scoring supplier following the evaluation model agreed at 2.1.2.**

3. BACKGROUND

- 3.1 On 14th April 2011, Council approved the capital budget for the Vehicle Replacement Schedule which included the cost of purchasing 4 Tipper Trucks and 2 Small Vans as part of the Council's Fleet Renewal Schedule.

- 3.2 The new vehicles will replace existing vehicles like for like, enabling the Environmental Maintenance Team to maintain operational efficiency.
- 3.3 The existing vehicles reach the end of their economic life after 6 years. The vehicles are then sent to auction to realise their market value as per nationally advised best practise.
- 3.4 Any procurement over the value of £156,442 (supplies and services) is required by law to go through the EU Tendering Procedure. It is recommended that the EU compliant YPO Vehicle Framework Agreement is used for the procurement of the vehicles to ensure a timely and cost effective procurement process.

4. KEY ISSUES

- 4.1 The YPO Vehicle Framework Agreement (“the Framework”) is made up of a number of suppliers all of whom have been subject to a competitive process for entry into the Framework. It is required by law (as it is not a simple cost comparison purchase) that the Council conducts a mini competition exercise inviting all the suppliers within the Framework to take part in the mini competition. The mini competition will be held in accordance with the Contract Procedure Rules.
- 4.2 The award of the contract will be based on a 50/50 split between quality and price.
- 4.3 The maximum points that will be awarded for quality will be 155. The maximum points for price will be 155. The highest scoring supplier of the combined score shall be awarded the contract.
- 4.4 The Tenders will be evaluated in accordance with the evaluation criteria set out below

	FEATURE	MAX POINTS AVAILABLE	SCORE
1	Suitability of Body where appropriate	20	
2	Predicted payload	20	
3	Vehicle special features design & innovation	15	
4	Durability and potential service costs	20	
5	Aesthetics	10	
6	Service support	10	
7	Delivery in weeks	20	
8	Combined fuel consumption figures	20	
9	Warranty	20	
	Total quality points available	155	
	Total price points available	155	
	Total points available	310	

- 4.5 There are numerous suppliers on the Framework and the Council is obliged by law to invite them all to tender. However, not all suppliers are capable of meeting the Council's requirements and it is anticipated that a maximum of 10 will respond.

5. FINANCIAL IMPLICATIONS

- 5.1 The total cost of this procurement is estimated to be £172,000.
- 5.2 The Capital Budget has been approved by Cabinet as per 2.1.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 Paragraph 19 of the Contract Procedure Rules allows the use of a Framework Agreement, where the Procurement Officer and the Director of Legal and Corporate Services have approved its use on being satisfied that it is lawful to use and that it is in the Council's interest to do so. The Procurement Officer and the Director of Legal and Corporate Services are satisfied that the YPO Vehicle Framework Agreement is lawful to use and that the nature of the purchase is such that it is in the Council's interest to utilise the Framework.
- 6.2 As stated in paragraph 18.2 of the Contract Procedure Rules, the Cabinet may delegate the decision to accept a tender above £150,000 to the relevant Director, where a previously reported and agreed evaluation model is used.

7. RISK MANAGEMENT

- 7.1 The procurement risk is mitigated by utilising YPO's fully compliant Framework Agreement.

8. EQUALITY IMPACT NEEDS ASSESSMENT

- 8.1 This report relates solely to the procurement of fleet vehicles, the fundamental EU principles of no discrimination and transparency apply to all procurement exercises, there is no requirement for an Equality Impact Needs Assessment.

9. CONCLUSION

- 9.1 In utilising the appropriate EU Compliant Framework Agreement, the Council will achieve best value in terms of price and will make efficiency savings in Officer's time as there will be no need to enter into a full EU tender procedure.

10. CONSULTEES

- 10.1 Director of Resources.

11. BACKGROUND PAPERS

- 11.1 None.