

REPORT

SUBJECT:	TO EXPAND THE SHARED BENEFITS SERVICE TO INCLUDE REVENUES
DIRECTORATE:	Resources
MEETING:	INDIVIDUAL CABINET MEMBER DECISION
DATE:	24th July 2019
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

- 1.1 To consider formal agreement of the expansion of the Shared Service with Torfaen County Borough Council to include the provision of Revenue services.

2. RECOMMENDATIONS:

- 2.1 That Cabinet formally agree to move to a shared service for Revenues, as soon as is practicable and to agree the scoping document attached in Appendix 1.
- 2.2 That Torfaen County Borough Council provide interim management arrangements for Revenues until officers officially transfer to the new shared service.
- 2.3 That the final implementation of the shared service is incorporated into the current Memorandum of Understanding between the two authorities for the Shared Benefits Service.
- 2.4 That Cabinet agree the relevant staff transfer under the Transfer of Undertakings Protection of Employment Regulations (TUPE) to Torfaen County Borough Council, following due process and the shared service arrangement in its extended scope is fully embedded.
- 2.5 That Cabinet authorise the Chief Officer for Resources and Assistant Head of Finance for Revenues, Systems & Exchequer, in consultation with the Cabinet Member for Whole Authority Resources, to finalise the Memorandum of Understanding and TUPE arrangements in discussion with Torfaen County Borough Council.
- 2.6 That Cabinet agree that any resultant redundancy or pension strain costs are met from the corporate budget, if it is not possible to manage these costs within the overall Directorate's budget.

3. KEY ISSUES:

- 3.1 Monmouthshire County Council entered into a Shared Benefits Service with Torfaen County Borough Council in July 2011. Torfaen Council runs the service on a day to day basis and the team is located in their council offices in Pontypool.

- 3.2 Since that time, the service has become well established and has proved to be an effective service delivery model, meeting targets for both performance and financial efficiency.
- 3.3 When Cabinet originally agreed to the establishment of the Shared Benefits Service, there was also the option to extend this working model to the Revenues Service (council tax and business rates) in future.
- 3.4 Over recent months Monmouthshire's Revenues Team has seen its Revenue's Manager retire. In addition, other key officers, namely the Revenue's Managers job share partner and the Northgate System Administrator have indicated their intention to retire in the near future, leading to a significant loss in specialist skills, knowledge and expertise.
- 3.5 This coupled with a wider structure review of the Finance Teams by the Chief Officer for Resources has prompted consideration to extend the shared service to include Revenues (Council Tax and Business Rates).
- 3.6 A period of staff and union consultation was undertaken in June/July 2019. Officers affected by the recommendation were given the opportunity to comment and ask questions. Any matters for consideration were brought back to the Chief Officer for Resources.
- 3.7 The scope of the service to be delivered under the expanded shared service arrangements for Revenues are:
- The billing, administration and collection of Council Tax and Non Domestic Rates (this includes both daily and annual billing)
 - The system administration and development of Monmouthshire's Northgate system

Retained functions relate to the administration of income and cash paid in respect of Council Tax and Non Domestic Rates, suspense clearance and control account reconciliation. The service will also not include Monmouthshire's sundry debtors function.

- 3.8 In order for the service to move forward in an integrated way and maximise the benefits from a larger shared service, the staff that undertake work in relation to the functions noted in 3.7 above are to transfer under TUPE transfer arrangements. The list of posts to transfer will be added to the MOU when finalised. Appendix 2 shows the current team structure and the proposed structure that will move across to the shared service.
- 3.9 Senior officers at Torfaen County Borough Council have given assurances that officers will transfer under their current terms and conditions. Current working arrangements including flexible and agile working will be maintained. This will form part of any TUPE transfer arrangements.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION

The proposal ensures that this statutory service is maintained and continues to operate as effectively as possible. The recommendation is designed to lead to

improvements in service for our rate payers. Whilst officers will transfer under their existing terms and conditions under TUPE arrangements. The Council's Sustainability Policy Officer has confirmed that a Future Generation Evaluation is not required.

5. OPTIONS APPRAISAL

- 5.1 Option 1 - to retain the service in house and appoint to vacancies as they arise. However, these vacancies are for senior posts that require a significant level of experience of revenues legislation and/or revenues systems (in particular Northgate). In general, due to the specialist nature of this work, the potential pool of applicants is likely to be small. The nature of the service requires complex decisions to be made on a daily basis, to ensure we operate within the legislation and bill ratepayers correctly.
- 5.2 Option 2 - the relationship with the shared service is well established and is a proven mechanism to deliver complex services. The two authorities are already operating the same IT software and Monmouthshire will have access to a greater pool of qualified experienced officers in the revenues field.

The scoping document attached in Appendix 1, details the potential benefits to this move, which include:

- Increased resilience, economies of scale and reduced management and service delivery costs.
- Maintaining the current excellent collection rates for both council tax and business rates by looking at a range of measures to maximise returns, including the potential to increase revenue from prior year collection, increasing court attendance and expanding automation.
- Delivering customer service improvements by working closely with the Hubs and looking at alternatives to managing demand, particularly via the telephone.
- Aligning recovery processes, systems, networks and other digital solutions. Both services have common characteristics with both following the same legislation, using the same IT system, attending the same magistrate courts and using the same Enforcement Agents.

6. EVALUATION CRITERIA

- 6.1 Governance arrangements are already in place for the shared service within the current Memorandum of Understanding, which will be updated to include the expansion of the service.
- 6.2 The Shared Service Management Board, consisting of senior officers from both organisations, meet periodically to review performance, discuss changes in legislation, review service plans etc. These meetings will continue and will be expanded to include council tax and business rates. The Board will be responsible for agreeing any changes in future service delivery including any additional one off or recurring costs or savings.

7. REASONS:

7.1 That Cabinet formally agrees to the expansion of the shared service to include council tax and business rates, thereby ensuring services are maintained for our ratepayers.

8. RESOURCE IMPLICATIONS:

8.1 With the exception of the Revenues Manager and Senior System Support officer, all officers currently working within Monmouthshire's Revenues Service (including system administration), 12 officers equating to 9.4 FTE's, will transfer to the shared service under TUPE arrangements.

8.2 The majority of duties undertaken by the Senior System Support officer will be retained within Monmouthshire, therefore the council will retain this post.

8.3 The Revenue Managers post will generate annual savings of £60,000. Pending the final decision, there are potential redundancy or pension strain costs here, for which we are awaiting confirmation from People Services. These costs will be managed within the current revenue budget. However should this not be possible they will be met from the corporate redundancy budget.

8.4 A flexible retirement request from the Revenues System Administrator has also been agreed, resulting in a further £26,000 annual saving. There are no anticipated cost implications associated with this request.

8.5 Torfaen Council will charge an annual fee of circa £40,000 for managing the additional service, generating a £46,000 saving. This saving will form part of the Chief Officer for Resources wider restructure proposals.

8.6 The table below summarises the pre and post structure and costings

Current structure:	Grade	FTEs	Total Annual cost £
Revenues Manager	K 39-43	1.00	60,928
Senior Revenues Processor	F 19-23	1.00	35,028
Revenues Processors	D 9-13	4.00	110,778
Visiting Officer	D 9-13	1.00	27,981
Senior Recovery Officer – Council Tax	G 23-27	1.00	40,819
Recovery Processors – Council Tax	D 9-13	2.00	52,793
Revenues System Administrator	G 23-27	1.00	40,819
Revenue Senior System Support	E 14-18	1.00	31,630
Senior Recovery Officer – Sundry Debtors	G 23-27	1.00	40,819
Recovery Processors – Sundry Debtors	D 9-13	2.00	55,962
		15.00	497,557
Posts to transfer to the Revenues Shared Service			
Senior Revenues Processor	F 19-23	1.00	35,028
Revenues Processors	D 9-13	4.00	110,778

Visiting Officer	D 9-13	1.00	27,981
Senior Recovery Officer – Council Tax	G 23-27	1.00	40,819
Recovery Processors – Council Tax	D 9-13	2.00	52,793
Revenues System Administrator	G 23-27	0.40	15,668
		9.40	283,067
Posts to be retained by Monmouthshire County Council			
Revenue Senior System Support	E 14-18	1.00	31,630
Senior Recovery Officer – Sundry Debtors	G 23-27	1.00	40,819
Recovery Processors – Sundry Debtors	D 9-13	2.00	55,962
		1.00	128,411
Annual Saving		-1.60	-86,079
Less Management charge			-40,000
TOTAL Annual saving			-46,079

9. CONSULTEES:

Revenues Team
Financial Systems Support Team
Trade unions
People Services
Chief Officer for Resources
Senior Leadership Team
Cabinet

There were no responses received to the Consultation.

10. BACKGROUND PAPERS:

Appendix 1 – Scoping Document
Appendix 2 – Structure charts

11. AUTHOR:

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