

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 14 February 2024

Revenues and Benefits Shared Service Business Case Report

Issue for Decision

To seek approval for officers to expand the shared service arrangement for delivery of the Revenues and Benefits function across Maidstone, Swale and Tunbridge Wells Borough Councils.

Decision Made

That

1. Expansion of the Mid Kent Revenues and Benefits partnership to include Swale Borough Council, be agreed; and
2. Delegation be given to the Director of Finance, Resources and Business Improvement, in consultation with the Cabinet Member for Corporate Services, to make the appropriate arrangements in line with the business case and sign the shared service collaboration agreement.

Reasons for Decision

The Revenues and Benefits service is one of the largest services provided by district councils and given its transactional nature one that is suited to shared service/partnership working.

This is evidenced through the existing successful shared service arrangements between Maidstone and Tunbridge Wells Borough Council and similar arrangements across Kent, including Dartford and Sevenoaks and Canterbury, Dover and Thanet.

In addition to maintaining strong performance in relation to its core services, e.g. processing new Housing Benefit and Council Tax Reduction Scheme claims in 15.7 days, the Mid Kent Services (MKS) Revenues and Benefits Partnership has demonstrated that through its flexibility, scale and ability to draw across partner resources it could also deliver combined services across a range of new schemes through the pandemic such as the Test and Trace Support Scheme and Business Grant Scheme.

Earlier work for the existing shared service confirmed the potential for financial savings, performance improvements and opportunities to enhance the overall resilience of the service with the detailed business case (approved in October 2010).

Whilst the decision was taken by Swale Borough Council (SBC) not to progress the Revenues and Benefits shared service at that time, in August 2021 a new proposal was taken to the Mid Kent shared service board to extend the Revenues

and Benefits shared service to include SBC. In January 2022 the proposal was reviewed by the three councils, and it was agreed that SBC would make a number of changes before the business case was brought back to the Mid Kent shared service board. This included providing an immediate shared management of both SBC and MKS Revenues and Benefits and if approved combine both services after a period of 18-24 months to allow for:

- a) the implementation of a new simplified banded CTR scheme within SBC
- b) the implementation of a common document imaging system across both services
- c) the transfer of customer enquiries from SBC Revenues and Benefits to the corporate Customer Services; and
- d) the adoption of common processes and procedures across both sites.

A number of factors have been considered as part of the business case.

- Service Resilience – The retirement of key officers across both teams. A combined team is better able to manage peaks in demand and support specialist functions.
- The introduction of Universal Credit and withdrawal of the housing Benefit scheme, which district councils have administered since 1987, represents a further risk to the resilience of the service with the administration grant and staffing for Housing Benefit services currently cross subsidising the administration of Council Tax Support due to their combined assessment.
- Financial Imperative – All partners have identified the need for financial savings to maintain a balanced budget and combining services provides an opportunity to reduce management, staffing and ICT costs whilst protecting the service delivered to residents.
- New ways of working – with an increasing number of staff working remotely and already sharing some core systems, a combined service would now be able to operate with minimal disruption to staff working arrangements and with no impact on each partner's local economy.
- ICT – Whilst the partners already share a common IT system for Revenues and Benefits (Capita) they have used different document management systems. Swale have now moved to NEC, so all systems are aligned.

The timetable for the business case being considered and being moved forward (if approved by the three councils) is shown in table 1. All three councils will need to approve SBC joining the partnership for it to be agreed.

Table 1

| Decision Process | By end of: |
|--|-------------------|
| Tunbridge Wells - Finance and Governance Advisory Board | 23 January 2024 |
| Swale – Decision by Policy and Resources Committee | 31 January 2024 |
| Maidstone – Corporate Services Policy Advisory Committee | 5 February 2024 |
| Decision by Maidstone & Tunbridge Wells Cabinets | 14 February 2024 |

Three options have been considered within the business case. Option one – no change, option two – considering externalising services, option three – as the agreed changes have been carried out by SBC and there is a financial case providing savings, SBC join the Mid Kent Revenues and Benefits Partnership.

The Corporate Services Policy Advisory Committee considered the matter on 5 February 2024 and recommended that the Cabinet approve the recommendations.

Alternatives considered and why rejected

Option 1 – do nothing – Whilst the MKS shared service and Swale Revenues and Benefits service could continue, this option is not recommended because in their current form the services would struggle to make any material reduction in costs without threatening the service provided to residents. Resilience within the service would remain a risk particularly for Swale BC given the current reliance on a small number of key officers within the service. There are also a significant number of officers within the Mid Kent team that are likely to retire soon. A new Mid Kent Head of Revenues and Benefits would need to be recruited.

Option 2 - Outsourcing the service – A separate exercise could be undertaken to test the current market in terms of costs and quality of service, this option is not recommended because the exercise undertaken in 2010 demonstrated no financial benefit beyond that possible through a shared service arrangement. With a shared service arrangement held at the time to provide greater flexibility and control for partner authorities. The East Kent Services Revenues and Benefits team was outsourced and is being brought back in-house due to the provider withdrawing from the market. This is added risk that is likely to bring additional costs to the authorities.

These options were rejected as the preferred approach was Option 3 – to expand the shared service. The Cabinet agreed that the delegation given to the Director of Finance, Resources and Business Improvement to make the appropriate arrangement and sign the shared service collaboration agreement would be in consultation with the relevant Cabinet Member.

Background Papers

None.

I have read and approved the above decision for the reasons
(including possible alternative options rejected) as set out above.



Signed: _____
Councillor David Burton, Leader of the Council.

Full details of both the report for the decision taken above and any consideration by the relevant Policy Advisory Committee can be found at the following area of the [website](#)

Call-In: Should you be concerned about this decision and wish to call it in, please submit a call-in form signed by any three Members to the Proper Officer by: **5pm on Thursday 22 February 2024.**