

Appendix 1 - Business Case (2024) Combining Mid Kent Services Revenues and Benefits Service with Swale Borough Council Revenues and Benefits Service

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1. Background to the existing service provisions and the original business case (2021)

- 1.1 The Mid Kent Improvement Partnership (MKIP) was formed in 2008 and involves Maidstone Borough Council, Swale Borough Council and Tunbridge Wells Borough Council.
- 1.2 In effect, MKIP represents an agreement to improve service delivery and reduce service costs for residents across Mid-Kent. The services delivered through the partnership are called Mid-Kent Services (MKS).
- 1.3 The partnership has been designed to be flexible enough to meet the needs of each authority. This means that some shared services and projects have involved only two authorities whereas others include all three authorities within Mid Kent. In the case of Audit services, MKS also partners with Ashford Borough Council.
- 1.4 There are currently ten areas of shared service in the partnership namely:
- Environmental Health (Maidstone, Swale and Tunbridge Wells)
 - Audit (Ashford, Maidstone, Swale and Tunbridge Wells)
 - Human Resources (Maidstone and Swale)
 - ICT (Maidstone, Swale and Tunbridge Wells)
 - Legal (Maidstone, Swale and Tunbridge Wells)
 - Local Land Charges (Maidstone, Swale and Tunbridge Wells)
 - Mid-Kent Enforcement Service (Maidstone, Swale and Tunbridge Wells)
 - Planning Support (Maidstone and Swale)
 - Fraud and Compliance (Maidstone, Swale and Tunbridge Wells)
 - Revenues and Benefits (Maidstone and Tunbridge Wells)
 - Shared Head of Revenues and Benefits (Maidstone, Swale and Tunbridge Wells)

Mid Kent Services Revenues and Benefits Partnership (MKS)

- 1.5 The Mid Kent Services Revenues and Benefits Partnership (MKS) was created in 2011 following agreement in 2010 by Maidstone Borough Council and Tunbridge Wells Borough Council to create a shared service.
- 1.6 The initial proposal was to combine the services from three Councils (Maidstone Borough Council, Swale Borough Council and Tunbridge Wells Borough Council). However, Swale Borough Council withdrew from this particular partnership at this time as savings could be made internally. In addition, at the time, location of the administration centre in Maidstone was a factor for staff. With the advent of extensive remote working, which has increased since the COVID-19 pandemic, this is much less of an issue.
- 1.7 The MKS partnership has developed since its creation and successfully administers services for both of the original Councils.

Swale Borough Council (SBC)

- 1.8 The Revenues and Benefits Service within Swale Borough Council is traditional in nature. Whilst the main services are operated solely on behalf of the Borough Council, it already works in partnership with Mid Kent Services for the provision of Fraud investigation and the Enforcement for Council Tax and Non-Domestic Rating.

Services currently administered within both Revenues and Benefits Services

- 1.9 The Revenues and Benefits service is one of the largest service provisions provided by any authority and consists primarily of the following areas of Local Taxation and Benefits:
- The administration, collection, and recovery of Council Tax.
 - The administration, collection, and recovery of National Non-Domestic Rates (Business rates).
 - The administration and assessment of Housing Benefit on behalf of the Department for Work and Pensions.
 - The administration and assessment of Council Tax Reduction; and
 - The collection of Housing Benefit overpayments.
- 1.10 In addition to the above, the services are responsible for undertaking customer enquiries either via the telephone, face to face or online albeit that there are differences in approach as outlined later within this business case.

The original Business Case (2021)

- 1.11 The original business case was developed by officers during 2021 and four options were presented to all three Councils as follows:
- OPTION 1** - No change.
 - OPTION 2** - Market testing with a view to externalising the services.
 - OPTION 3** – Immediately combining the current MKS Revenues and Benefits Service with the existing SBC Revenues and Benefits service; or
 - OPTION 4**
To provide an immediate shared management of both MKS and SBC until such time as a decision is made on the business case to combine the services:
 - (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 staff to the corporate Customer Services team; and
 - (d) the adoption of common processes and procedures across both sites.
- 1.12 A decision was made to adopt **Option 4** and work has progressed since that time to prepare for the full combination of the services.

- 1.13 This new business case reviews the work already undertaken to prepare for the merge of the services and makes recommendations for future service delivery.

2. Option 4 - Progress

- 2.1 The following section provides details of the work undertaken in relation to the original Option 4 and in particular gives an assessment of the progress to date.

To provide an immediate shared management of both MKS and SBC

- 2.2 In line with the recommendation, the Revenues and Benefits Manager for SBC was appointed Revenues and Benefits Manager SBC/Interim Head of Revenues & Benefits – Mid Kent Services.
- 2.3 The appointment was effective from 4th January 2022 and effectively both services (SBC and MKS) are now under an interim single service lead.

The implementation of a new simplified banded CTR scheme within SBC

- 2.4 A project was undertaken at the beginning of 2022 to replace the existing Council Tax Reduction scheme within Swale Borough Council with a modern, more efficient Income - banded scheme with effect from 1st April 2023.
- 2.5 After extensive work the new scheme was approved by full Council of SBC and was successfully implemented with effect from 1st April 2023. As with all schemes, there will be a period of adjustment for both staff and customers. However, the timely introduction of the scheme in line with the original business case means that the authority will not be disadvantaged by having to administer an 'old fashioned' means tested scheme that was based on the previous Council Tax Benefit approach.
- 2.6 The new scheme is less reactive, works effectively with Universal Credit and is easy to understand by both customers and staff.

The implementation of a common document imaging system across both services.

- 2.7 In March 2022 the Swale Cabinet approved that the Swale Revenues and Benefits team would move to the Information@work document management system to align with Mid Kent services document system.
- 2.8 Since then, the Swale Business Support manager has been working with the two companies to ensure that the data that is transferred is compatible with the new document management system. This has taken time due to the differences in the two systems and the large amount of data that will be transferred.
- 2.9 The first samples of data have been transferred and testing is currently being carried out to ensure that the data is accurate. The Swale teams are being trained on using

the Information@work document management system. It is hoped that the system will be live by the end of 2023.

The transfer of customer enquiries from SBC Revenues and Benefits staff to the corporate Customer Services

2.10 Over the last year a project team has been in place to manage the move of customer facing contact within the Revenues and Benefits team to the Swale Customer Service team. The project team has worked to ensure the appropriate number of staff members are moved to cover the 40,000 calls that are received annually. In July 2023 a consultation was carried out with the Swale Revenues and Benefits team. Training has been carried out and the new team moved over to the corporate Customer Services from 1 November 2023.

3. Key Statistics

Table 1 - statistics

Area	Mid Kent Services (MKS)	Swale (SBC)
Council Tax		
Number of Chargeable Dwellings	129,153	66,290
Telephone enquiries	52,130	30,790
Property Inspections	2,461	1,150
Reminders issued (2022/23)	35,442	13,441
Final Notices issued (2022/23)	14,823	646
Summonses issued (2022/23)	6,690	1,764
Non-Domestic Rates		
Number of Hereditaments	9,421	4,950
Telephone enquiries	2,390	*not recorded
Property Inspections	1,470	830
Housing Benefit		
Live claims	7,746	4,615
Council Tax Reduction		
Live Claims	15,188	9,734
Housing Benefit & CTR incoming work		
New claims	5,550	2,395
Changes in circumstance	89,830	86,231
Public enquiries (HB/CTR)	*not recorded	834 (includes CT)
Telephone enquiries (HB/CTR)	14,357	9,497
Incoming Documentation (all areas)	124,994	51,450 (excluding NDR)

4. Current Key Performance Indicators

Table 2 – Key performance indicators (shown per Council)

Area	2022/23	2023/24 (October 2023)
Council Tax (in year)	%	%
Maidstone	96.76	63.89
Tunbridge Wells	97.50	65.27
Swale	95.30	64.48
National Average – Shire Districts	97.2%	
Non-Domestic Rates (in year)	%	%
Maidstone	97.65	67.15
Tunbridge Wells	98.22	66.50
Swale	98.18	65.62
National Average – Shire Districts	97.5%	
Housing Benefit & CTR (New Claims) *	No. of days to process (2022/23)	2023/24 (October 2023)
Maidstone	16.71	13.91
Tunbridge Wells	17.16	14.88
Swale	19.55	16.41
National Average – All (Quarter 4 2022/23)	19.33	
Housing Benefit & CTR (Changes in Circumstance) *	No. of days to process	2023/24 (October 2023)
Maidstone	2.51	4.08
Tunbridge Wells	2.59	3.36
Swale	8.81	7.86
National Average – All (Quarter 4 2022/23)	3.66	

* It should be noted that the performance figures shown for SBC for 2022/23 are **before** the change to the new income-banded Council Tax Reduction scheme which came into effect from 1st April 2023. The figures for 2023/24 include the automation that has been brought in at SBC in line with MKS, these figures should improve further once the change of staff to the Swale customer services team has bedded in.

- 4.1 In addition to the statistics previously reported in the last business case, the following additional Housing Benefit statistics are shown to reflect the relative complexity of the Housing Benefit caseload between each of the authorities.
- 4.2 Broadly all new working age applicants for Housing Benefit are now directed to DWP Universal Credit and the only new claims received are from the following persons:
- (a) applicants who are either single and of pension age, or where both members of a couple are of pension age
 - (b) working age applicants who reside in specified accommodation (where care support or supervision are provided); and
 - (c) working age applicants who are homeless and where the authority has a duty to provide temporary accommodation.

4.3 It will be appreciated that in the case of (b) and (c), the complexity of the claims requires significant additional work in order to determine both the circumstances, the eligibility of the applicant and any entitlement. These claims take considerably more time to process than an average claim and therefore the Housing Benefit processing statistics will need to be considered taking this information into account.

Table 3 - Additional Housing Benefit and Council Tax Reduction caseload details

Caseloads October 2023	Mid Kent Services (MKS)	Swale (SBC)
Housing Benefit Caseload	7,746	4,615
Pensioners	3,644	2,253
Working Age (legacy)	4,102	2,362
Specified Accommodation (Exempt, Managed, Refuges etc)	780	217
Temporary Accommodation	301	367
Council Tax Reduction Caseload	15,188	9,734
Working Age	10,179	6,095
Pensioners	5,009	3,639

5. Staffing Structures

5.1 The services (MKS and SBC) currently have the following staffing structures:

Table 4 – Current staffing structures

	MKS current	Swale current	Total
Head of Revenues & Benefits	1	1	2
Benefits Manager	1	1	2
Benefits Team Leader/supervisor	2	0.73	2.73
Benefits Senior Officer	1	0	1
Benefit Officers	12.54	10.08	22.62
Benefits Ass / Pre-assess	1	3	4
Revenues Manager	1	1	2
Council Tax Team Leader/supervisor	2	1	3
Council Tax Senior Officer	1	0	1
Council Tax Officers	10.27	10.12	20.39
Council Tax Assistants	2	0	2
NDR Team Leader	1	0	1
NDR Senior Officer	0	1	1
NDR Officers	2	0	2
Senior Property Inspector	1	0	1

Property Inspectors	1	1	2
Systems and Support Manager	1	1	2
Systems Officer		0.6	0.6
Support Team Leader	0	1	1
Appeals/DHP/EHP/Subsidy	2.92	1	3.92
Overpayments Officers	1	1.3	2.3
Financial Inclusion Officer	1	0	1
Project Officer	1	0	1
Business Support Officer	1	0	1
Total	47.73	34.83	82.56

- 5.2 In both services (MKS & SBC), administration of services is undertaken either:
- Internally by employed staff
 - externally by a company / on demand service etc; or
 - by agency staff - not directly employed by the services / authority.

5.3 This breakdown in service provision is shown for comparison in Table 5 below:

Table 5 - Provision of administration

	Customer Services (for R&B areas)	Mail / Scanning / Post administration	Council Tax Billing	Council Tax Recovery	NDR Billing	NDR Recovery	Enforcement (agents)
MKS	Carried out in house within the Maidstone Customer services team and the Tunbridge Wells Contact Centre	Carried out by Maidstone Print Room	In house	In house	In house	In house	In house MKS & External
SBC	Previously within Swale Revs and Bens moved to Swale Customer services from 1 November 2023	Carried out currently by Swale Revs and Bens admin roles and the Swale print room	In house	In house	In house	In house	In house MKS & External

	Property Inspections	Benefits / CTR administration	Benefit overpayment recovery	IT Support (user side)	Subsidy/Forms / Govt Returns/ statistics etc	Fraud investigation	Financial Reconciliations
MKS	In house	In house	In house	In house	In house	In house	Maidstone - in house Tunbridge Wells - within TW Finance team
SBC	In house	In house	In house	In house	In house	In house	Finance Team

- 5.4 The above information needs to be taken into account when determining both the base line costs of each service and also for productivity comparison purposes.

6. Existing Partnership arrangements affecting the Revenues and Benefits Services

- 6.1 Currently both MKS and SBC already have partnership arrangements in place to provide the following elements of the Revenues and Benefits service:

Joint Senior Management

- 6.2 As outlined previously, the Interim Head of Service is responsible for both MKS and SBC Revenues and Benefits Services and reports directly to SBC and as Interim Head of Service to the Director of Mid Kent Services.

Mid Kent Enforcement Service

- 6.3 The partnership provides enforcement services to Maidstone Borough Council, Swale Borough Council and Tunbridge Wells Borough Council. This area of the partnership is responsible for enforcement of debts in respect of outstanding Council Tax and Non-Domestic Rates for all three authorities. The service is also responsible for enforcement in other areas such as parking.

Mid Kent Fraud and Compliance

- 6.4 The partnership (which is partly funded by Kent County Council) is responsible for fraud and compliance work. It was created in 2016 when the responsibility for the investigation of Housing Benefit moved to the Department for Work and Pensions. The partnership currently undertakes work in the following areas:
- New Homes Bonus
 - Implementation of penalties through non-compliance by taxpayers
 - Review and compliance of small business rates relief
 - Single Person Discount compliance; and
 - Verifying whether premises should be subject to Business Rates or Council Tax.

7. IT provision

- 7.1 IT Support for all three Councils is provided by Mid Kent ICT Services. This was created in April 2013 from the former ICT teams at Maidstone, Swale and Tunbridge Wells Borough Councils. It inherited the equipment and systems from the component local authorities and took on responsibility for on-going, maintenance, security, and hardware refreshes. It also provides and supports the core business systems for the three councils and a number of shared services.
- 7.2 Core software systems are at the heart of all Revenues and Benefits Services and both MKS and SBC extensively use the Capita Academy Software Systems for:

- Council Tax
- Non-Domestic Rating
- Housing Benefit; and
- Council Tax Reduction.

7.3 All of the above have been procured from the supplier jointly by MKS and SBC and are currently operated and maintained under a single contract agreement.

7.4 As outlined within Section 2, as part of the adopted **Option 4** it was agreed that MKS and SBC would move to process all documentation using the Northgate Information@Work system.

7.5 This project has been commenced and both services will be using a single supplier for document imaging and processing by the end of 2023. Clearly any efficiencies will only take effect when both services are fully merged. However, it will provide ongoing savings when compared with running dual systems.

8. Customer service provision

8.1 Customer access to the services is vital so that taxpayers, ratepayers and applicants for Housing Benefit and Council Tax Reduction can make enquiries and provide any necessary information to the Councils.

8.2 Whilst both services receive a high level of enquiries per annum (see Table 1), the majority of contact with the customers is via telephone. The number of actual personal visits to Council offices is reducing year on year and not surprisingly electronic / online contact is becoming the preferred method of providing information to all of the Councils. The COVID-19 crisis in 2020 and 2021 accelerated the need for remote customer access.

8.3 Prior to the last Business Case and the decision to adopt OPTION 4, the provision of telephone and public enquiries for both MKS and SBC services was different. In the case of MKS, customer access is dealt with corporately by Customer Services staff who do not form part of the Revenues and Benefits Service. A recharge is made for that service.

8.4 In the case of SBC, all public enquiries relating to Council Tax, Non-Domestic Rating and Benefits were undertaken by staff from within the Revenues and Benefits service.

8.5 The project to transfer all public enquiries from the SBC Revenues and Benefits service to the corporate customer services provision was completed at the end of October 2023. The transfer of calls to the Customer Services team commenced from 1st November 2023. Continued monitoring and management of this transfer will be in place until the team has bedded in.

9. Issues for the current services

- 9.1 Both services (MKS and SBC) are facing a number of issues which will need to be taken into account irrespective of any suggested change in delivery approach. These are as follows:

Mid Kent (MKS)

- 9.2 Since 2011 a significant amount of time has been taken to ensure that processes align within Maidstone and Tunbridge Wells.
- 9.3 Staff are all on Maidstone contracts and all staff work on both Maidstone and Tunbridge Wells work. The IT systems are combined so there is no changing between systems when working on a case from either authority.
- 9.4 A number of staff have been employed through agencies and on fixed term contracts. It is expected that these contracts will be ended under the new structure proposed if Swale joins the partnership. It should be noted that, if the shared service to include Swale does not go ahead, at least two permanent posts may need to be added to the Mid Kent Revenues and Benefits team structure within 5 years.

Swale

- 9.5 Since April 2022 time has been spent on changing the Council Tax Reduction scheme to an income-banded scheme, changing the document management system, and moving the phone calls from the Revenues and Benefits service to Customer Services.
- 9.6 The new income- banded scheme commenced in April 2023 and time was then spent on bringing in the automation, this went live in August 2023. The statistics for the Swale Housing Benefit team have shown significant improvement and are expected to improve further before the end of the financial year.
- 9.7 It should be noted that there is also a difference in the management of Government grant schemes between the three authorities. In 2022 and 2023 the energy rebate schemes were managed within the MKS Fraud and Compliance team for Maidstone. Tunbridge Wells managed the scheme themselves with help from the Mid Kent Fraud and Compliance team. In Swale the 2022 Energy Rebate scheme was managed within the Council Tax team which meant no recovery action was carried out until September 2022. This is the reason why there is a significantly lower number of recovery documents issued.

10. Productivity comparison

- 10.1 Through the creation of the original and this revised business case, it has been identified that productivity of staff will be key irrespective of the option chosen.

Revenues and Benefits service areas are highly decision based rather than transactional, and as such the measurement of productivity can, in some circumstances be subjective.

- 10.2 For the purposes of this revised business case, a comparison has been made of staff numbers in relation to caseloads generally. This is not the most ideal method of comparison, but the only fair method given that each service works differently and records incoming work and documentation in significantly different ways. This approach is currently used for budgeting purposes within the MKS authorities.

Table 6 Productivity comparison – Staffing vs Caseload

MKS

Area	Caseload	Staff	Ratio
Housing Benefit	7,746	13.5	574
CTR	15,273	13.5	1,131
Council Tax	129,153	15	8,610
Business Rates	9,421	2	4,710

SBC

Area	Caseload	Staff	Ratio
Housing Benefit	4,615	9	513
CTR	9,734	9	1,082
Council Tax	66,290	8	8,286
Business Rates	4,950	1	4950

Comparison	MKS	SBC	Difference (MKS /SBC)
Housing Benefit	574	513	60 (MKS)
CTR	878	811	49 (MKS)
Council Tax	8,610	8,286	324 (MKS)
Business Rates	4,710	4950	240 (SBC)

- 10.3 From the above there are some productivity differences which are minor in nature and have no overall effect on the business case. The following should be noted:
- (a) Housing Benefit
 - (i) MKS has remained relatively static; and
 - (ii) SBC has increased since the last business case (403 to 513)
 - (b) Council Tax Reduction
 - (i) MKS has remained relatively static; and
 - (ii) SBC has increased slightly since the last business case due partly to the introduction of the new income banded CTR scheme (729 to 811)
 - (c) Council Tax
 - (i) MKS has increased since the last business case (7,310 to 8,610); and
 - (ii) SBC has increased significantly (21%) since the last business case (6,832 to 8,286)

(d) Non Domestic Rating

- (i) The MKS and SBC productivity is similar. There is effectively one officer per authority. MKS has a team leader who also manages the Business Improvement Districts for each authority; and
- (ii) The resilience of business rates would be improved by Swale joining the partnership, as it is such a small team.

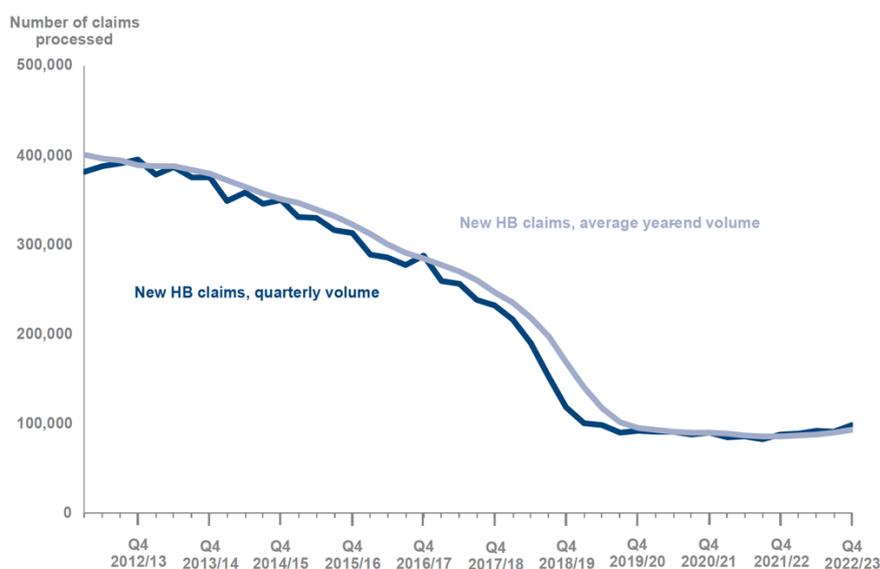
11. Future changes affecting any decisions.

11.1 The services covered within Revenues and Benefits are fast moving and subject to constant change both at a national and local level. Since 2013, the provision of all of the above services has changed significantly (and continues) to change. When considering any option for future service provision, it is important therefore that the business case takes into account changes in the administration of Housing Benefit, Council Tax, Council Tax Reduction and Non-Domestic Rating. The following paragraphs outline the known changes to each part of the service.

Housing Benefit – new claims

11.2 Housing Benefit for working age applicants has, since 2013 been slowly replaced by Universal Credit which is administered by the Department for Work and Pensions. The number of new Housing Benefit claims nationally has reduced significantly (from 400k claims per year in 2013 to a current level of 99K).

Diagram 1 – HB New Claims volume



11.3 This has been reflected in the reduction in number of new claims received by all of the Councils' services over that period. However, the level is not expected to reduce

further as Housing Benefit will continue to be claimed by pension age applicants, those applicants that live in specified (supported accommodation) and homeless applicants.

11.4 Diagram 1 above clearly shows that the workload of authorities in respect of new Housing Benefit claims has plateaued and in fact is slightly increasing, and this will need to be considered in the design of any new service provision.

11.5 The caseload of each of the services is shown in Table 1 (Live Claims).

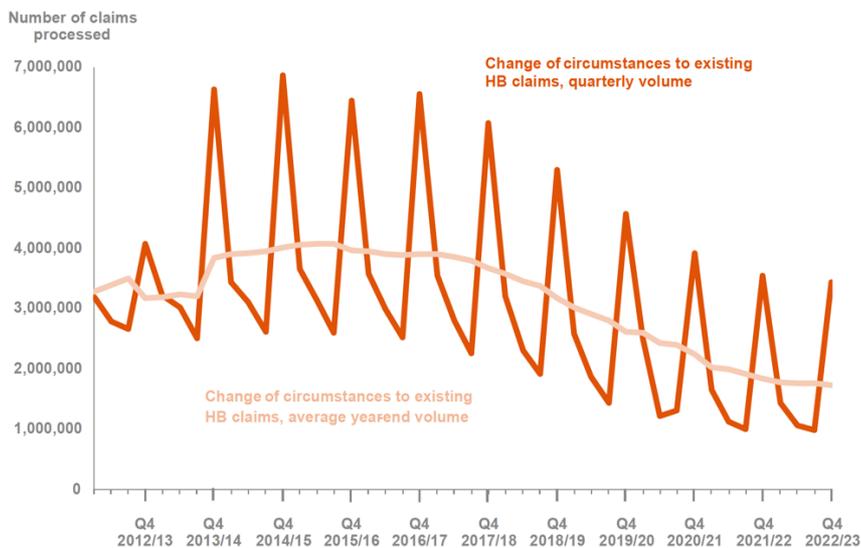
Housing Benefit – changes in circumstances

11.6 It should be noted that the volume of changes in circumstances affecting claims has however only reduced by 40% since 2013 despite the greater reduction in new claims.

11.7 Diagram 2 shows that the overall level of changes nationally. The reason for this is that the methods of identifying changes in circumstances have become more sophisticated over time with proportionally more changes per application being identified automatically by extensive data matching, and direct notification of changes by the DWP and HMRC.

11.8 It is expected that the current level of changes for Housing Benefit received by both MKS, and SBC will not fall below the current level and, with the introduction of further initiatives by the DWP such as the extension of the Housing Benefit Accuracy Award Initiative (HBAA) the number of changes in circumstance are likely to increase.

Diagram 2 – HB Changes in Circumstances volumes



11.9 At the present time 97% of all working within Housing Benefits relates to changes in circumstances.

Housing Benefit - introduction of the Supported Housing (Regulatory Oversight) Act 2023

- 11.10 The introduction of the Supported Housing (Regulatory Oversight) Act 2023 will significantly change the approach and administration of Exempt Accommodation cases.
- 11.11 Government, in passing this legislation to place a new duty on Councils to:
- require local authorities in England to review supported housing in their areas and develop strategies in order to ensure that the accommodation is fit for purpose and that the costs (which are in the main met by Housing Benefit) are controlled;
 - give the Secretary of State power to introduce national support standards which will need to be taken into account when determining benefit
 - give local authorities power to create local licensing schemes for exempt accommodation; and
 - give the Secretary of State an option to introduce a new planning Use-Class for exempt accommodation.
- 11.12 Claims for Housing Benefit in exempt accommodation are complex at best and require specialist staff knowledge. The implementation of the new legislation will require staff to work closely with other departments including the County Council. The new duties will place additional delays on the processing of such benefit claims which, given the relatively small number of total new claims received will affect overall performance and place additional burdens on staff.

Housing Benefit - DWP future initiatives

- 11.13 With the current Housing Benefit Accuracy Award (HBAA) coming to an end, the DWP is expected to require each authority to undertake additional full case reviews (FCR). This will add to the overall workload of any Benefit service.

Council Tax

- 11.14 The administration of Council Tax has remained relatively stable over a number of years and, whilst there is always discussion at Government level as to its suitability as a modern tax, there are no plans known to date to undertake a fundamental review.
- 11.15 The main changes over the next three to five years will be as follows:
- the introduction of 100% empty homes premiums from a one-year period (current two years) - effective from 1st April 2024 (subject to Council agreement)
 - the introduction of 100% second homes premium - effective from 1st April 2025 (subject to Council approval)
 - the introduction of the Enforcement Conduct Board to set good practice and oversee complaints against enforcement agents; and
 - potential changes to the processes allowed for the recovery of the tax including the move to more supportive measures and the tailoring of actions to individual taxpayer's circumstances.

11.16 A key priority for any Revenues and Benefits Services (including MKS and SBC) will continue to be both the expansion of the tax base, collection of the tax as well as compliance to ensure that any discounts, exemptions, reliefs, and reductions are only awarded when the correct circumstances exist.

Non-Domestic Rating

11.17 Business rates have continued to be a major source of income for authorities through the Business Rates Retention system (introduced in 2013). However, since the COVID-19 crisis, the pressures of businesses generally have been considerable leading to Government providing a high level of reliefs. Currently over 60% of businesses pay either no rates or have a significantly reduced bill to pay.

11.18 Government is currently introducing a number of new initiatives through the new Non Domestic Rating Act including:

- the introduction of three yearly revaluations
- greater duties to be placed on ratepayers to provide information to the Valuation Office Agency (VOA)
- the introduction of new reliefs (in addition to the extensive number of reliefs) such as improvement relief and a revised transitional relief scheme
- the full revision of discretionary rate relief (which will require all authorities to reconsider the granting of discretionary relief)
- changing the basis of completion notices; and
- the introduction of anti-avoidance legislation to assist Councils in maximising the rate base.

11.19 It will be essential for both services to have sufficient resource to undertake all of the changes.

11.20 To ensure that performance targets continue to be met with reducing staffing numbers, further automation will be considered in all teams. This will be balanced against the support that is needed for vulnerable customers.

New initiatives including Emergency Grants and Cost of Living support.

11.21 Both MKS and SBC Revenues and Benefits Services allocated significant resource during 2020 and 2021 to COVID-19 related schemes such as business grants and Test and Trace self-isolation payments. The trend for Central Government to use Local Government to deliver assistance has continued in 2022 and 2023 with cost-of-living payments, household support fund and Council Tax Hardship / Support funds.

11.22 The Revenues and Benefits Service is now seen as a 'first responder' in any crisis. It will therefore be necessary to consider this when determining any future service provision.

12. Options for change

12.1 The purpose of this revised business case is to consider the future service provision for the MKS and SBC Revenues and Benefits services. Whilst there are a number of potential options, realistically there are three viable approaches:

OPTION 1 - No change, namely, to continue with separate services

- (a) with separate management; **or**
- (b) with shared management (as at present)

OPTION 2 - Market testing with a view to externalising the service

OPTION 3 – Combining the current MKS Revenues and Benefits Service with the existing SBC Revenues and Benefits Service into a single operation.

12.2 The following sections explain each of the options and provides:

- an explanation and summary of each option
- the potential advantages and disadvantages of each option; and
- the likely identifiable risks.

OPTION 1 - No change

12.3 Notwithstanding the recommendations from the previous business case, an option available to both MKS and SBC would be to leave both services in place as they are today.

12.4 The ‘as is’ option leaves the existing Revenues and Benefits services in place with MKS continuing to administer the services for Maidstone and Tunbridge Wells and SBC continuing to administer its own Revenues and Benefits Services.

12.5 This approach could be adopted with either a separate or shared management provision although the former would clearly add costs to both services.

OPTION 2 - Market testing with a view to externalising the service.

12.6 An alternative to combining the MKS with SBC Revenues and Benefits Services could be to outsource either or both services to the private sector or to engage with another local authority (or local authority partnership).

OPTION 3 – Combining the current MKS Revenues and Benefits Service with the existing Swale Revenues and Benefits service.

12.7 This option continues the approach recommended in the previous business case by aligning and subsequently combining the Revenues and Benefits partnership operated by MKS with SBC Revenues and Benefits service.

12.8 This option would be in line with OPTION 3 of the previous business case.

12.9 Combination of services would be in line with the approach already operated in other areas of the MKIP where all three Councils are involved.

High Level assessment of each option.

12.10 Building on the above, a 'high level' assessment of each of the option's ability to deliver all three Council's requirements is as follows:

Table 7 - Options analysis

	OPTION 1 - No change	OPTION 2 - Market testing with a view to externalising the service	OPTION 3 Combination of the current MKS Revenues and Benefits Service with the existing SBC Revenues and Benefits service
General description / comments	<p>This option would leave the current services ‘as is’.</p> <p>For the purposes of this revised business case, we have assumed that all other service elements (such as the current Fraud and Enforcement partnerships) would remain in place. Likewise, the provision of IT.</p> <p>The approach could either continue with a shared management function or have separate management teams. In the case of the latter this would reverse the recommendation made in the previous business case and incur additional costs to both services.</p>	<p>Externalisation of Revenues and Benefits Services has been popular especially during the 1990s.</p> <p>Large public sector companies have been involved in the externalisation of a number of services both small and large.</p> <p>Over the last 10 years, the number of outsourced services has reduced significantly due to either large private sector companies withdrawing from the marketplace or local authorities deciding that an ‘in house’ or LA partnership provision is the preferred approach.</p> <p>Locally all externalised Revenues and Benefits services have been returned to local authority control. An example would be the East Kent Partnership which had been externalised to CIVICA. This has now reverted to local authority control due to the general reluctance of the contractor to continue with the service and the relatively high cost due to the changing nature of the services.</p>	<p>This option would allow for both MKS and SBC Revenues and Benefits Services to combine into a single unit delivering a complete service for all three Councils.</p> <p>This would be in line with the recommendation (OPTION 3) of the previous business case.</p>
Political acceptance	<p>The ‘as is’ option could be accepted by all participating Councils given that it would</p>	<p>Market testing and particularly the outsourcing of the service to an external provider is often contentious.</p>	<p>There is a history of effective partnership working with the existing MKS Revenues and Benefits Service having a history of strong performance.</p>

	OPTION 1 - No change	OPTION 2 - Market testing with a view to externalising the service	OPTION 3 Combination of the current MKS Revenues and Benefits Service with the existing SBC Revenues and Benefits service
Note: Partners retain political control under all options as sovereign Councils.	leave the current service provision under current political control.	<p>This becomes more prevalent if service delivery is moved from each of the Councils' areas to central processing sites elsewhere.</p> <p>The political acceptance of this approach would be questioned given the view of external providers to wind down existing contracts.</p>	The work undertaken by SBC to align its operational approach and the adoption of common operating systems facilitates a straightforward move to a combined service.
Effect on Service Provision	<p>MKS Mid Kent Services, being larger in scope has greater ability to adapt to the new demands placed on the service, however, there would be difficulty in generating any additional cost savings due to economies of scale.</p> <p>SBC It is recognised that there would be difficulty in achieving any economies of scale.</p>	<p>MKS & SBC Any move to fully externalise the services would place a significant risk on the delivery of the services.</p> <p>In the case of SBC, the externalisation of the service would inevitably mean that large parts, if not all the service would be relocated to other pre-established service delivery sites around the country.</p>	<p>MKS & SBC Given the already close working relationship of the two services, combined with the fact that partnership working already exists in a number of areas such as IT, enforcement and fraud, the risk to service provision is reduced.</p> <p>The approach has been significantly de-risked with the alignment undertaken by SBC and the appointment of an Interim shared Head of Service.</p>
Savings / Value for Money	<p>MKS & SBC In both cases, the ability to generate further savings for their respective Councils is limited.</p> <p>This is particularly relevant in the case of SBC given its size.</p>	<p>MKS & SBC Externalisation may initially deliver some savings.</p> <p>Externalisation can be an advantage where there is a need for significant investment due to out of date IT or the need to obtain / refurbish new buildings.</p> <p>This is not the case with either MKS or SBC.</p>	<p>The combination of both sets of services could result in savings primarily due to the reduction in management and staffing costs.</p> <p>Some additional savings will also be obtained through the ability of a larger service to negotiate reduced prices with suppliers.</p> <p>The option maximises the opportunity to benefit from economies of scale and benefits from an existing track</p>

	OPTION 1 - No change	OPTION 2 - Market testing with a view to externalising the service	OPTION 3 Combination of the current MKS Revenues and Benefits Service with the existing SBC Revenues and Benefits service
	Both Revenues and Benefits services have, to date, delivered savings for their respective authorities.	<p>Experience has also shown that in a service environment such as Revenues and Benefits, where there are significant legislative changes, having a fixed long-term contract is restrictive.</p> <p>In these cases, any initial savings achieved are reduced by the need to amend contracts and change the service to meet any new requirements.</p>	record of working together and delivering savings from sharing.
Collaboration Agreement	Not applicable.	Not applicable.	The creation of an acceptable collaboration agreement is key for this option. Significant focus will be placed on the share of savings, particularly in the short term with the majority being achieved by a reduction in staff.

	OPTION 1 - No change	OPTION 2 - Market testing with a view to externalising the service	OPTION 3 Combination of the current MKS Revenues and Benefits Service with the existing SBC Revenues and Benefits service
Performance and quality of service provision	<p>MKS & SBC Both MKS and SBC deliver high quality services.</p> <p>Both services have recovered well from the COVID-19 crisis and have maintained performance despite new duties being placed on the services by Central Government to address the cost-of-living crisis.</p> <p>SBC The service has improved its performance whilst at the same time undertaking significant projects (as outlined earlier) in order to align the service with the MKS approach.</p>	<p>There is no evidence that the externalisation of either service would improve performance or quality of the service.</p> <p>The move to a fully externalised service would inevitably result in a reduction in performance and quality in the short and medium term.</p>	<p>The combination of these two services should not result in any reduction in performance or service quality in the mid to long term.</p> <p>When combined, the increased service size will allow for sufficient resource to be allocated to projects as well as performance and quality initiatives.</p>
Productivity	<p>MKS & SBC In general, there should always be a move to increase productivity.</p> <p>SBC Now that all proposed changes to the service provision have been made (the introduction of a new Council Tax Reduction Scheme; the move to new document management software and public enquiries being undertaken corporately), there will be a need for a</p>	<p>The productivity of staff under this option would be the responsibility of an external provider.</p> <p>Should this option be chosen, it will be essential for the sovereign Councils to ensure that all outputs are met in line with any contractual agreement.</p>	<p>It will be essential to ensure that the combination of all the service does not result in a reduction in productivity across the board albeit that the risks have been minimised through the alignment process.</p>

	OPTION 1 - No change	OPTION 2 - Market testing with a view to externalising the service	OPTION 3 Combination of the current MKS Revenues and Benefits Service with the existing SBC Revenues and Benefits service
	period of consolidation and gradual improvement in productivity.		
Resilience	<p>MKS In the case of MKS, the size of the service provision does allow for significant resilience although (as with SBC) the age profile of key members of staff are such that the service will, in the next few years, face challenges in respect of staff leaving and the need to recruit.</p> <p>SBC It has been identified that the age profile of key members of staff are such that the service will, in the next few years, face challenges in respect of staff leaving and the need to recruit.</p>	<p>Externalisation of any of the services could potentially increase resilience.</p> <p>This is largely dependent on the supplier selected but the general lack of suitable Revenues and Benefits staff affects both public and private providers.</p>	<p>A major advantage of this option is that the combined service will provide resilience to change.</p> <p>The new service would be of the size of a large unitary or metropolitan authority.</p> <p>Sharing technology and staff resources across partner Councils will maximise the potential to increase resilience.</p>

	OPTION 1 - No change	OPTION 2 - Market testing with a view to externalising the service	OPTION 3 Combination of the current MKS Revenues and Benefits Service with the existing SBC Revenues and Benefits service
	The loss of experience will inevitably lead to reduce ability of the service to continue to provide the level of service required by the Council.		
Ability to deliver change / Future Proofing	<p>MKS The large size of the service does allow it to, not only have sufficient resource for day-to-day service provision, but also gives some level of flexibility and the ability to deliver change.</p> <p>SBC Whilst the service is currently able to successfully deliver day to day requirements, fundamental changes to the nature of the services will place significant strain on the ability of the service to both deliver change as well as maintain performance.</p>	<p>Externalisation to large providers will provide economies of scale and also allow for sufficient available resource to enable change.</p> <p>A key issue however is that, where there are nationwide changes or changes in legislation, providers can struggle to make changes or, as importantly, require changes in contract terms / price to allow for those changes to be made.</p>	Combined with increased resilience, the option would allow significant future proofing for all three authorities.
Business Complexity	<p>MKS and SBC This option is not complex.</p> <p>The existing services would remain in place and remaining 'as is' would be considered a straightforward option.</p>	<p>Externalisation of the services would be complex.</p> <p>Existing business support and back-office functions would change and there would be a requirement for Councils to establish a client function to oversee any contracted service provision.</p>	Given that both services already share key back-office services and use common IT, further sharing will simplify the overall operating model and fully integrate with the Mid Kent Services ethos.

	OPTION 1 - No change	OPTION 2 - Market testing with a view to externalising the service	OPTION 3 Combination of the current MKS Revenues and Benefits Service with the existing SBC Revenues and Benefits service	
Effect on other services	No effect generally. However, any reduction in collection performance will result in pressure on the collection funds of the authorities.	<p>Externalisation of the Revenues and Benefits Service would have a significant effect on both support services provided to the current services as well having a detrimental effect on partnerships that are already in place.</p> <p>Any external partner would want to provide their own HR, Legal, IT and enforcement services.</p> <p>All of the Councils would be required to provide a client function to oversee any contract.</p>	The effect on other services will be minimal given the level of partnership working already in place.	
Overall risk of OPTION	MEDIUM	HIGH	LOW	MEDIUM

13. RECOMMENDED APPROACH

- 13.1 There is significant merit in adopting **OPTION 3** which basically allows for the combination of Mid Kent Revenues and Benefits Services with Swale Revenues and Benefits Services. It is a progression from the previous business case. Clearly the timing of the merge would need to be agreed and the combination undertaken in such a way as to minimise the effect on both services.
- 13.2 The option is **low /medium risk** provided that the overall performance of the combined service is at least at the level currently being achieved by MKS. Likewise, the risk is low provided all of the partner authorities understand that the year 1 implementation costs mean that significant savings will only be achieved after the initial implementation period of 12 months.
- 13.3 Should no agreement be reached; the option would not be viable at all. Likewise, should the performance of the larger combined service fall, the option becomes a medium-high risk for the existing MKS authorities.
- 13.4 Notwithstanding the above, the eventual combined service will achieve significant financial savings whilst at the same time providing increased resilience.
- 13.5 The option should be considered as a 'natural fit' with the other services that are already shared between Maidstone, Swale and Tunbridge Wells. It will provide significant additional resilience to both Revenues and Benefits Services and enable the combined service to be future proofed and able to deal with any of the proposed legislative changes.
- 13.6 The key benefits that will be achieved through the full combination of the services will be:
- **Financial Benefits** – after the initial implementation period of 12 months, annual staff savings across the three authorities
 - **Increased Resilience** – a larger pool of staff which is able to manage the peaks and troughs in service demand and provide cover for specialist roles that are currently vulnerable areas within the service
 - **Service Improvement** – including the ability to share the cost and skills needed to drive out further savings in areas such as channel migration, staff training and procurement of services
 - **Value for money** – the ability to demonstrate that the services are high in quality and performance but with the ability to deliver maximum economies of scale; and
 - **Potential expansion** – either through the inclusion of other services within the larger partnership or by enabling services to be provided to other authorities remotely.

Implementation

13.7 A proposed implementation plan / timescale has been included within Section 17 of the business case. The approach is to have three distinct stages:

- Stage 1 – Initial Implementation
- Stage 2 – Combining the services; and
- Stage 3 – Full implementation and normal running.

13.8 An outline of each proposed stage is detailed below.

Stage 1 Initial Implementation

13.9 This initial stage will consist of the creation of an implementation team led by the Head of Revenues Benefits Service who will be assimilated from the current interim role. The implementation team will be supported by external support, legal and HR. The Head of Revenues and Benefits will be responsible for the delivery of the combined MKS and SBC services and lead the project team, with support through the initial stages of the merger.

13.10 The eventual combination of the services allows for the amalgamation of the two services, but also provides an excellent opportunity to relook at the service in future years when the majority of the working age caseload will move to Universal Credit.

Stage 2 Combining the Services

13.11 Stage 2 (the bulk of the work) will largely be the combining of the two services into a single operating unit. During this stage, staff will be recruited into the new staffing structure, managers and team leaders will undertake their new responsibilities and will continue the alignment of processes and procedures across the whole of the service taking best practices into account at all times.

13.12 This stage will also be key in the training and re-training of staff to enable maximum flexibility and to enable all post holders to undertake existing and new duties.

Stage 3 Full merge

13.13 The full combination of both services is projected to be approximately 18 months after final agreement. This is achievable due to the already close working relationship of the two services (MKS and SBC) and the preparatory work completed by SBC.

13.14 Once integrated, there will be a planned reduction in staffing complement over a further 4-year period to achieve the desired levels.

Changes to the staffing requirement and the alignment of services

13.15 Both services are similar in structure, so combining them will mean there will be significant areas of duplication, this gives an opportunity to reduce the number of officers doing the same job, which will allow for staff savings to accrue.

13.16 The following table shows the current total staffing contingent based on post levels:

Table 8 – Total Staffing FTE (both services)

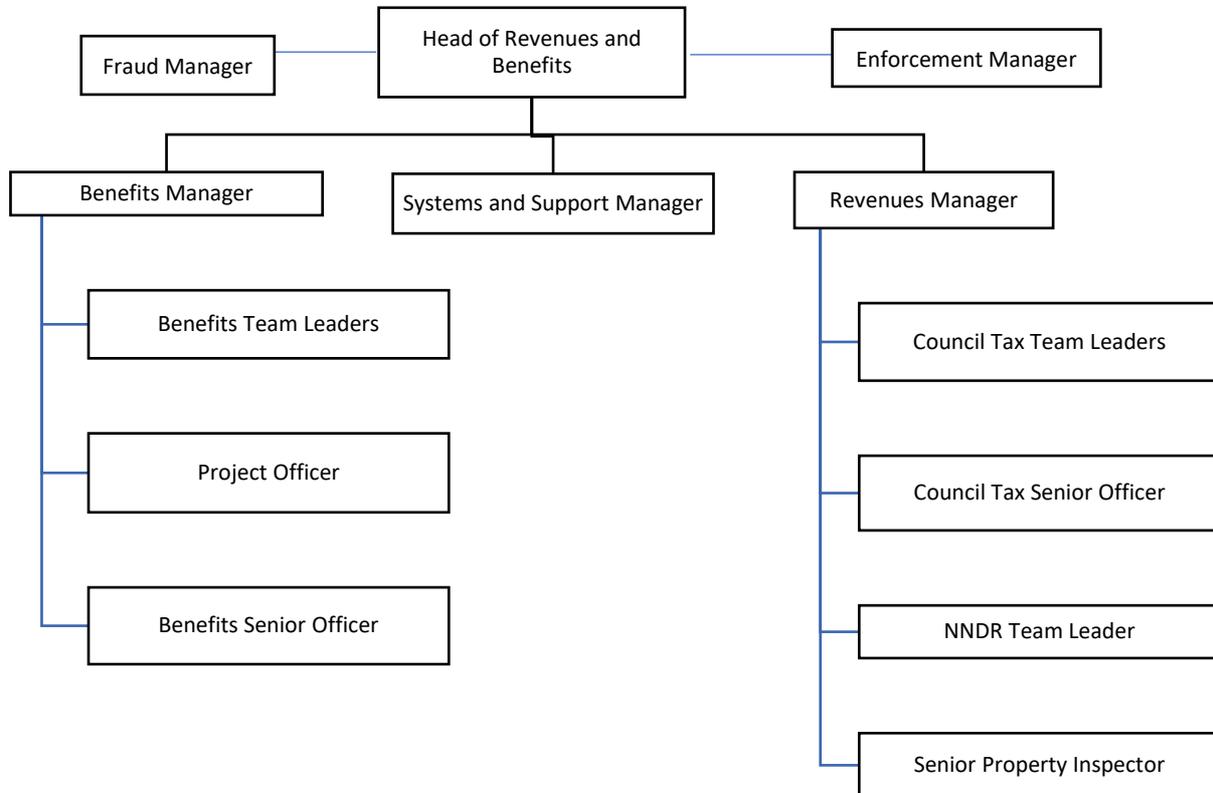
	MKS current	Swale current	Total
Head of Revenues & Benefits	1	1	2
Benefits Manager	1	1	2
Benefits Team Leader/supervisor	2	0.73	2.73
Benefits Senior Officer	1	0	1
Benefit Officers	12.54	10.08	22.62
Benefits Ass / Pre-assess	1	3	4
Revenues Manager	1	1	2
Council Tax Team Leader/supervisor	2	1	3
Council Tax Senior Officer	1	0	1
Council Tax Officers	10.27	10.12	20.39
Council Tax Assistants	2	0	2
NDR Team Leader	1	0	1
NDR Senior Officer	0	1	1
NDR Officers	2	0	2
Senior Property Inspector	1	0	1
Property Inspectors	1	1	2
Systems and Support Manager	1	1	2
Systems Officer	0	0.6	0.6
Support Team Leader	0	1	1
Appeals/DHP/EHP/Subsidy	2.92	1	3.92
Overpayments Officers	1	1.3	2.3

Financial Inclusion Officer	1	0	1
Project Officer	1	0	1
Business Support Officer	1	0	1
Total	47.73	34.83	82.56

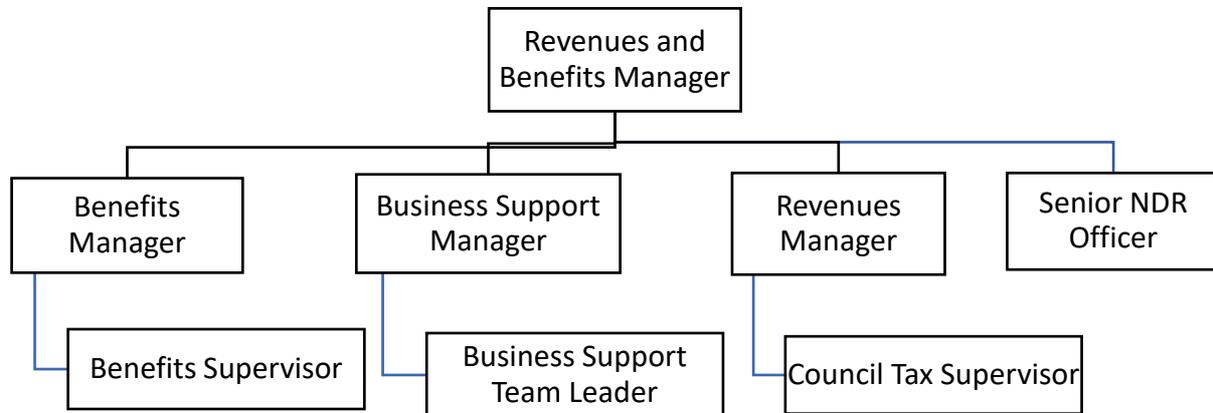
Current Management Structure

13.17 The current management structure of the services is shown in Chart 1 and Chart 2 below:

**Chart 1
Mid Kent Current Management Structure**



**Chart 2
Swale Current Management Structure**



Proposed Staffing Requirement

13.18 Details of the proposed structure are provided within Appendix 2.

13.19 Details of savings to be achieved are provided within Appendix 2.

Staff Terms and Conditions

13.20 Both MKS and Swale staff have different terms and conditions. However, this will not prevent the merge of the services. Swale staff will be offered the chance to move to a Maidstone 37-hour contract, for those who are not moved onto new contracts as part of the selection processes for new roles.

Performance Standards

13.21 It will be essential that the new service is able to deliver high performance through the implementation stage as well as, of course, when it is fully established. The following table provides the targets for performance in both revenues and benefits expected by all of the authorities.

Table 9 Provisional performance targets (2024-2027)

Area	2024/25	2025/26	2026/27	2027/28
Council Tax (in year)	%	%	%	%
Maidstone	96.76	96.80	96.80	96.80
Tunbridge Wells	97.50	97.50	97.50	97.50
Swale	95.50	95.50	95.50	95.50

Area	2024/25	2025/26	2026/27	2027/28
Non-Domestic Rates (in year)	%	%	%	%
Maidstone	97.65	97.75	97.75	97.75
Tunbridge Wells	98.22	98	98	98
Swale	97.65	97.75	97.75	97.75
Housing Benefit & CTR (New Claims)	No. of days to process			
Maidstone	18.5	18.5	18.5	17.5
Tunbridge Wells	18.5	18.5	18.5	17.5
Swale	19	18.5	18.5	17.5
Housing Benefit & CTR (Changes in Circumstance)	No. of days to process			
Maidstone	3.5	3.5	3.5	3.5
Tunbridge Wells	3.5	3.5	3.5	3.5
Swale	5	4.5	4	3.5

- 13.22 Due to the current cost of living crisis and increased interest rates the provisional collections for Council Tax and Business Rates have been set to maintain the current rates of collection. It is a difficult time for residents and both businesses alike, collection of Council Tax across Kent has been challenging and these targets are set to protect the finances of all partner authorities. In the case of Housing Benefit and Council Tax Reduction, the main objective of the partnership will be to maintain and improve new claims and change of circumstances processing times, whilst at the same time undertaking any Government initiatives such as the Housing Benefit Accuracy Award Initiative (HBAA).
- 13.23 Progress and performance will be reported regularly through existing monitoring reports within the three councils, to the Mid Kent Services Board, the Mid Kent Services Executive Board and the Shared Services Board.
- 13.24 Accuracy, speed and finance can be demonstrated by the targets set in the above tables.

14. Proposed Governance model

- 14.1 The proposed model for governance (detailed below) is consistent with the approach already approved by each of the Mid Kent partners (including all three Councils) and is currently in operation for all existing shared services.
- 14.2 It is important to note that decision making ultimately rests with each sovereign Council and is subject to the delegations and decision-making protocols set out within their constitution.

MKS Board

14.3 The MKS Board, consisting of the Leader, one other member, and the Chief Executive of each of the three MKS councils, meets at least three times per year and has the following roles:

- to approve and own the MKS Programme
- to initiate shared service projects (consider the business case) and appoint project and shared service boards
- to set MKS objectives and direction
- to take decisions on specific project/service issues outside of the remit of the project and shared service boards
- to monitor MKS performance and finance and agree actions to resolve performance and finance issues; and
- to review these arrangements from time to time and make recommendations to the partners for improvement.

Executive Board

14.4 The MKS Board is underpinned by the MKS Executive Board, consisting of the three Chief Executives, which meets quarterly to set direction for MKS.

Shared Service Board

14.5 To ensure that MKS continues to represent to value for money the MKS Shared Services Board, consisting of the three S151 Officers, meets quarterly to review performance, delivery against budget and any shared investment required.

Collaboration Agreement

14.6 Before commencement of the extended shared service, the collaboration agreement will be reviewed, to set out the terms of the shared service.

14.7 The support of the MKS Legal Partnership will be sought in formalising the agreement between partners.

15. IT requirements

15.1 Moving to the fully combined service will, in effect, be straightforward given that the operating systems will remain as at present with the Capita Academy software being used as the main processing systems and documentation being processed using the Northgate Information@Work system. A major advantage is that this arrangement will be in line with the existing arrangements for both MKS and SBC who have jointly procured the operating systems and maintain a single contract with the existing supplier.

15.2 As all three authorities are sovereign, there will be a requirement to maintain separate databases for Council Tax (including Council Tax Reduction), Non-Domestic Rating and Housing Benefit. Likewise reporting to Government will be by individual authorities.

15.3 All partnerships (as opposed to actual combined authorities) are used to this, and the software is capable of meeting all requirements.

16. IT and Administrative efficiencies

16.1 Improvements in service delivery and the reduction in administration will be made incrementally year on year. The priority of the combined service will be to drive improvements through the increased use of new technology.

16.2 This will be undertaken throughout the combining process initially at Stage 1 and fully at Stage 3.

17. Proposed timescales for implementation.

17.1 The following sections outline a suggested timeline for implementation. The final timetable will need to be agree with all three partner authorities. It should be noted that the timetable has been created taking into account the three 'stage' approach to the project proposed.

Table 10 - Proposed Implementation timetable

Action:	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
Stage 1: Initial Implementation	
1. Collaboration agreement approved and signed	February 2024
2. Initial all staff briefings	February 2024
3. Formal consultation 30 days with managers, team leaders & staff	February 2024
4. Close of consultation, review of comments and agreement on the structure	March 2024
5. Tupe of staff	April 2024
Stage 2 - Combining the Services	
6. Commencement of selection process - advertisement and recruitment to manager and team leader posts	April 2024
7. Appointment of managers and team leaders	April 2024
8. Selection process across officers and team	May 2024
9. Appointment of staff	May 2024
10. Combination of services	June 2024
Stage 3 – Full alignment of both services and further automation and improvements	
11. Alignment, automation, and improvements to be carried out	December 2025

18. Risk Analysis

18.1 The following section details the risks identify so far. This initial analysis will form the basis of the full risk register.

Table 11 - Risk Analysis

ID	Risk description	Likelihood of the risk occurring	Impact if the risk occurs	Mitigating action	Contingent action	Progress on actions
	Stage 1					
1	Option 3 (the recommended option) is not accepted by partner authorities.	Medium	Medium	The risk will be medium in the short term but in the longer term this may increase to high risk for SBC due to the reasons already outlined. More information to support the recommendation would continue to be provided to the partner authorities.	Existing services will continue unaffected in the short term.	
2	Failure to approve collaboration agreement.	Medium	High	Early involvement of Mid Kent Legal Services and continued engagement through the partner authorities, MKS Board, Exec Board and SSB.		
3	Timescale for project set up are insufficient.	Low	Medium	Extend timescale.	Flexibilities in the revised business case timescale allow for some slippage.	
4	Revised Business Case becomes obsolete or is undermined by external (Government) or internal changes.	Low	High	There is no ability to reduce the likelihood, but the project team will make sure early warning is given by reviewing business case on regular basis.	Initiate escalation procedure to all participating authorities.	

ID	Risk description	Likelihood of the risk occurring	Impact if the risk occurs	Mitigating action	Contingent action	Progress on actions
5	Failure to retain key project staff and support.	Medium	High	Essential that key project staff and support is identified immediately that option is agreed. Project staff / support to be appointed as soon as possible.		
6	Delays in creation and agreement of structure, Job Descriptions and Roles.	Low	Medium	Extend timescale.	Flexibilities already exist in business case timescale.	
7	Political change within one or more of the councils.	Medium	Medium	Reasons for the shared service to be explained in detail to the new administration. Decision likely to be made before the May 2024 elections. Collaboration agreement to be in place when the shared service starts.	New collaboration agreement will be used with the business case to show the reasoning behind the partnership.	
	Stage 2					
8	Failure or delays in the appointment of managers and team leaders.	Low	Low	The project would look to assimilate staff from existing services into the new roles with minimal disruption.		
9	Failure or delays in the appointment of staff to new posts.	Low	Low	The project would look to assimilate staff from existing services into the new roles with minimal disruption.		
10	Reduction in outputs for a significant period due to reduced productivity.	Medium	Medium	Imperative that the project team focus on a smooth transition to the new arrangement and that both performance and quality outputs are maintained.	Key targets to be set for all staff.	

ID	Risk description	Likelihood of the risk occurring	Impact if the risk occurs	Mitigating action	Contingent action	Progress on actions
11	Staff moving across from Swale BC on different terms and conditions, including a 34-hour week	High	Medium	Differences in terms and conditions between authorities are common and the partnership has dealt with similar issues in previous shared services, but there is a risk of staff dissatisfaction within the team. The project team includes HR representation and part of the implementation is a workstream to include communications with and team building with staff.	All existing staff will be offered the option to transfer to MBC terms and conditions. All new officers alongside any newly created roles as part of the merger will be employed on MBC contracts.	
12	Management risks within the new shared service	Low	Medium	The highest risk comes from the collection of Council Tax. In the new proposed combined staff structure, there are more managers within Revenues than in the current Swale or MKS structure. This strengthens the resilience of the Revenues section.		
	Stage 3					
13	Failure to align processes and procedures within timescale.	Low	Medium	Project would continue using existing processes until aligned.		
14	Failure to training of staff in all relevant areas.	Low	Medium	Project would continue using existing staff skills until all training undertaken.		

ID	Risk description	Likelihood of the risk occurring	Impact if the risk occurs	Mitigating action	Contingent action	Progress on actions
15	Unplanned work that must be accommodated.	Low	High	Document all assumptions made in planning and communicate to the Project Team. Where there is any change, this will be escalated to the partner authorities.		
16	Lack of communication, causing lack of clarity and confusion for staff.	Medium	Medium	A communication plan is to be created if the option is agreed and will form an essential part of the project.	Correct misunderstandings immediately to avoid any misinformation to staff.	
17	Scope creep.	Low	Low	Ensure alignment of any changes with the Business Case.		
18	Unresolved project issues not escalated in a timely manner.	Low	Medium	Hold regular project team meetings. Review the project plan and stakeholder engagement plan for potential areas of conflict.	When aware, the issues will immediately be escalated to Project Team.	
19	Added workload or time requirements because of new direction of partners, policy, or statute.	Low	Medium	No ability to reduce likelihood.	Where there is any change, this will be escalated to the partner authorities.	
20	Legal action delays or pauses project.	Low	Medium	Ensure all actions cleared through Legal.	This will be escalated to the Project Team who will notify Legal department. The project will follow instructions from Legal.	

19. Financial implications

- 19.1 The financial implications can be found in Appendix II, tables 14 to 16 show the current staffing costs of the service, the estimated costs of the proposed structure. The estimated savings by authority from years one to five and the maximum costs of setting up the service.

20. Staffing implications

- 20.1 The staffing implications can be found in Appendix II, There are 82.5 FTE employed within Revenues and Benefits across both sets of services, with a net reduction of 5.7 FTE (7%) planned through the implementation of the combined shared service. The majority of the initial staff savings will be at management level where some redundancies are expected. There has already been a reduction of 9.5 posts since the previous business case in 2021.
- 20.2 Whilst both services will need to hold vacant posts, it is anticipated that the remaining reduction in staffing will be achieved largely by natural wastage. If this is not possible then it may include a level of compulsory redundancy. Staff and unions will be consulted as part of the decision-making process and support sought from the HR team to minimise the number of redundancies and overall concerns of staff.

21. Budgetary implications

- 21.1 Budgetary implications are shown in Appendix II.

Section 1. Existing Service Cost

- 21.2 Shown in Appendix II

Section 2. Combining of Services

Option 2 Cost Implications

- 21.3 As outsourced Revenues and Benefits teams have reduced over recent years and some suppliers have withdrawn from the market, this was not considered to be a viable option and does not fit with the decision made in 2021 by the authorities to align processes and re-consider the business case for combining the MKS and SBC services, so no further work has been carried out to explore this option further and costings have not been provided.

Option 3 Staffing and Cost Implications

- 21.4 Shown in Appendix II

22. Corporate implications

- 22.1 The implementation of the shared service supports each of the Councils' priorities to deliver high quality, efficient and effective services.

23. Equality Impact Assessment

- 23.1 We are undertaking an equalities impact assessment to inform the decision-making process. The service will also undertake further equality impact assessment within the first year of operation to ensure that the service continues to meet the needs of all residents.

