



## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

### CABINET

21<sup>st</sup> JUNE 2018

### STRATEGIC PARTNERSHIP OPPORTUNITY

#### REPORT OF THE GROUP DIRECTOR CORPORATE & FRONTLINE SERVICES IN DISCUSSION WITH THE RELEVANT PORTFOLIO HOLDER, CLLR NORRIS

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#### **1. PURPOSE OF THE REPORT**

- 1.1 This report sets out an option for the Council to initiate a procurement process for a strategic partner to create a Centre of Excellence for specific services.

#### **2. RECOMMENDATIONS**

It is recommended that Cabinet agree:

- 2.1 To note and consider the key principles underpinning a potential strategic partnership arrangement;
- 2.2 If appropriate, to authorise officers to initiate a procurement process; and
- 2.3 To receive a further report with the outcome of the procurement process in order to determine whether or not it wishes to proceed with the opportunity.

#### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 To authorise officers to initiate a procurement process for a strategic partner.

#### **4. BACKGROUND**

- 4.1 Council officers have been reviewing opportunities to develop, within Rhondda Cynon Taf, a Centre of Excellence for certain support / transactional services.
- 4.2 A North Wales Council (Denbighshire) has developed, with a strategic partner, a model based on revenues and benefits services.
- 4.3 Council officers have visited the Denbighshire centre to understand the characteristics of their arrangement with a view to developing a similar or alternative model based in Rhondda Cynon Taf that could potentially deliver a South Wales based centre for similar services.

- 4.4 Over recent years, back office / support services have been benchmarked across Wales the outcome of which has shown this Council to be relatively low cost and efficient. Indeed, the Council's annual general efficiency targets (£6M) have for a number of years been more weighted toward back office / support services.
- 4.5 With specific regard to Revenues and Benefits, this is a service area that performs extremely well and at relative low cost when compared to our peers. The requirement to further reduce resources in this area will most likely have an adverse effect on performance.

## **5. STRATEGIC PARTNERSHIP MODEL – AIMS AND OBJECTIVES**

- 5.1 The objective of the partnership is to create a scalable centre of excellence, initially centred around revenues and benefits services.
- 5.2 It is proposed that the Council seek to procure a partnership arrangement whereby a partner would bring functional expertise, market and commercial knowledge, change management expertise and capacity to grow the service. The transition toward universal credit is likely to reduce the workload of the revenues and benefits service and have an adverse effect on the number of jobs. A strategic partnership would enable the service to grow through the provision of services to other councils within the South Wales region and / or beyond.
- 5.3 This would safeguard existing as well as creating and bringing more jobs into the County Borough. It would also allow us to grow what is an efficient and effective service area.
- 5.4 The specification for the procurement process would set out the objectives along with more specific requirements for this Council which would include :
- a. No compulsory redundancies for the contract term (likely to be 5 years with an option to extend for a further 2 years);
  - b. Like for Like Terms and Conditions of employment (unless employees wish to exercise an option to transfer);
  - c. Continued Local Government Pension Scheme (LGPS) membership for transferring employees;
  - d. Delivery location(s) within RCT;
  - e. Maintain and enhance Service Levels;
  - f. An Apprenticeship / Graduate Programme;
  - g. Cost savings in the short term;

h. Further medium / longer term savings realised through potential service growth and income.

5.5 The initial in-scope services are proposed to be Revenues and Benefits, that is -

- Housing Benefits
- Council Tax
- NDR
- Associated Support Services - Scanning and Mail

5.6 This amounts to circa 60 FTE's (headcount circa 63).

5.7 It is proposed that the procurement process however explores the market which may include the potential to extend in-scope services at a future point, if the Council was minded to do so.

5.8 At this stage, the proposal does not commit the Council but moreover seeks to test the market and review options which will be presented back to Cabinet in order for a more fully informed decision to be made.

## **6. NEXT STEPS**

6.1 It is proposed that officers are authorised to initiate a procurement process for a strategic partner, as set out above, and initially centred around revenues and benefits services.

6.2 It is proposed that the relevant Trade Unions be fully engaged and that we work collaboratively with them to keep staff fully informed.

6.3 The outcome of the procurement process will be reported back to Cabinet in the autumn for a fully informed decision to be made as to whether or not it wishes to progress further.

## **7 EQUALITY AND DIVERSITY IMPLICATIONS**

7.1 In developing these proposals, an Equality Impact Assessment screening has been undertaken to ensure that:

- The Council meets the requirements of the Public Sector Equality Duties, and
- Due regard has been taken of the likely impact of the decision in terms of equality and discrimination.

## **8 CONSULTATION**

- 8.1 Engagement with the Trade Unions and staff is proposed at this stage with formal consultation being undertaken should Cabinet determine to subsequently move forward post procurement.

## **9 FINANCIAL IMPLICATION(S)**

- 9.1 The financial implications are not known at this stage and will be subject to the procurement process. However, cost savings and income generation are key objectives of the exercise.

## **10 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 10.1 There are no legal issues. The procurement process would be structured to ensure the ambition of creating and growing a “Centre of Excellence” can be realised in the most efficient manner if Cabinet decide to progress the proposal.

## **11 LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

- 11.1 A prosperous Wales – the proposal seeks to support this wellbeing goal. The proposal also supports our corporate priority - Living within our Means.

## **12 CONCLUSION**

- 12.1 This report sets out a proposal to procure a strategic partner for the development of a centre of excellence to be based within Rhondda Cynon Taf with the potential of safeguarding and creating jobs alongside making financial savings.

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