

Strategic Overview and Scrutiny Panel

Grand Jury Room, Town Hall
2 March 2010 at 6.00pm

Strategic Overview and Scrutiny Panel deals with reviewing corporate strategies within the Council's Strategic Plan, the Council's budgetary guidelines for the forthcoming year, scrutinising the Forward Plan, the performance of Portfolio Holders and scrutiny of Cabinet decisions or Cabinet Member decisions (with delegated power) which have been called in.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.colchester.gov.uk or from Democratic Services.

Have Your Say!

The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to meetings, with the exception of Standards Committee meetings. If you wish to speak at a meeting or wish to find out more, please pick up the leaflet called "Have Your Say" at Council offices and at www.colchester.gov.uk

Private Sessions

Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

Mobile phones, pagers, cameras, audio recorders

Please ensure that all mobile phones and pagers are turned off before the meeting begins and note that photography or audio recording is not permitted.

Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to Angel Court Council offices, High Street, Colchester or telephone (01206) 282222 or textphone 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

Facilities

Toilets with lift access, if required, are located on each floor of the Town Hall. A vending machine selling hot and cold drinks is located on the first floor and ground floor.

Evacuation Procedures

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Terms of Reference

Strategic Overview and Scrutiny Panel

- To review corporate strategies.
- To ensure the actions of the Cabinet accord with the policies and budget of the Council.
- To monitor and scrutinise the financial performance of the Council, and make recommendations to the Cabinet particularly in relation to annual revenue and capital guidelines, bids and submissions.
- To link the Council's spending proposals to the policy priorities and review progress towards achieving those priorities against the Strategic / Action Plans.
- To scrutinise executive decisions made by Cabinet, the East Essex Area Waste Management Joint Committee, the Colchester and Ipswich Joint Museums Committee and Cabinet Member decisions (with delegated authority taking a corporate / strategic decision) which have been made but not implemented, and referred to the Panel through call-in.
- To monitor the Council's operational performance in relation to the Strategic Plan, Local Area Agreement targets and National Indicators.
- To scrutinise the Cabinet's performance in relation to the Forward Plan and to scrutinise the performance of Portfolio Holders.
- At the request of the Cabinet, make decisions about the priority of referrals made in the event of the volume of reports to the Cabinet or creating difficulty for the running of Cabinet business or jeopardising the efficient running of Council business.
- The panel will be the appropriate route for any member to refer a 'local government matter' in the context of Councillor Call for Action.

Process for Councillor Call for Action

- Councillors have the ability to call for debate and discussion a topic of neighbourhood concern, limited to issues affecting a single ward, in an attempt to bring about specific solutions for local problems. This enables members to get things done without going through the Council's executive decision making process.
- Members may bring an action on any issue they choose, with exceptions, for example, if the issue is vexatious or deals with an individual complaint. Local Government matters specifically excluded from the regime are namely matters relating to a planning decision, a licensing decision or where a right of recourse to a review or right of appeal is already provided for in law.
- Poor service performance or increased anti-social behaviour are examples of where a member will bring an action to the panel's attention.
- The scrutiny panel may reject a request as not within the guidance, or the usual channels have not been exhausted, or accept that an investigation is the appropriate action.
- The panel may conduct an investigation in the usual scrutiny manner, seeking information from the Council and/or partners and inviting them to attend meetings.
- A report with recommendations will be compiled and brought to the Council and/or partners attention, with the Council and/or partners having a duty to respond.
- The panel will consider and publish the responses to their recommendations and feed back this information to the Councillor calling for the action.

**COLCHESTER BOROUGH COUNCIL
STRATEGIC OVERVIEW AND SCRUTINY PANEL
2 March 2010 at 6:00pm**

Members

Councillors

Councillor Christopher Arnold (Chairman)
Councillor Dennis Willetts (Deputy Chairman)
Councillor Mark Cory (Liberal Democrats Group Spokesperson)
Councillor Kim Naish (Labour Group Spokesperson)
Councillor Mike Hogg
Councillor Jackie Maclean
Councillor Jon Manning
Councillor Gaye Pyman
Councillor Laura Sykes
Councillor Nick Taylor
Councillor Julie Young

AGENDA - Part A

(open to the public including the media)

Members of the public may wish to note that agenda items 1 to 5 are normally brief and agenda items 6 to 9 are standard items for which there may be no business to consider.

Pages

1. Welcome and Announcements

- (a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.
- (b) At the Chairman's discretion, to announce information on:
- action in the event of an emergency;
 - mobile phones switched off or to silent;
 - location of toilets;
 - introduction of members of the meeting.

2. Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

3. Urgent Items

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent and to give reasons for the urgency.

4. Declarations of Interest

The Chairman to invite Councillors to declare individually any personal interests they may have in the items on the agenda.

If the personal interest arises because of a Councillor's membership of or position of control or management on:

- any body to which the Councillor has been appointed or nominated by the Council; or
- another public body

then the interest need only be declared if the Councillor intends to speak on that item.

If a Councillor declares a personal interest they must also consider whether they have a prejudicial interest. If they have a prejudicial interest they must leave the room for that item.

If a Councillor wishes to make representations on an item on which they have a prejudicial interest they may do so if members of the public are allowed to make representations. In such circumstances a Councillor must leave the room immediately once they have finished speaking.

An interest is considered to be prejudicial if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice the Councillor's judgement of the public interest.

Councillors should consult paragraph 7 of the Meetings General Procedure Rules for further guidance.

5. Minutes

1 - 5

To confirm as a correct record the minutes of the meeting held on 9 February 2010.

6. Have Your Say!

(a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter not on this agenda. You should indicate your wish to speak at this point if your name has not been

noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter not on this agenda.

7. Items requested by members of the Panel and other Members

(a) To evaluate requests by members of the Panel for an item relevant to the Panel's functions to be considered.

(b) To evaluate requests by other members of the Council for an item relevant to the Panel's functions to be considered.

Members of the panel may use agenda item 'a' (all other members will use agenda item 'b') as the appropriate route for referring a 'local government matter' in the context of the Councillor Call for Action to the panel. Please refer to the panel's terms of reference for further procedural arrangements.

8. Referred items under the Call in Procedure

To consider any Portfolio Holder decisions, taken under the Call in Procedure.

The panel may a) confirm the decision, which may then be implemented immediately, b) confirm the decision back to the decision taker for further consideration setting out in writing the nature of its concerns, or c) refer the matter to full Council in the event that the panel considers the decision to be contrary to the Policy Framework of the Council or contrary to, or not wholly in accordance with the Budget.

9. Decisions taken under special urgency provisions

To consider any Portfolio Holder decisions taken under the special urgency provisions.

10. Investment in Colchester's Arts and Culture

6 - 76

See scoping report from the Scrutiny Officer.

11. Fundamental Service Review - Revenues and Benefits

77 - 149

See report from the Head of Resource Management.

12. Work Programme

150 - 151

See report from the Scrutiny Officer.

13. Exclusion of the public

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

STRATEGIC OVERVIEW AND SCRUTINY PANEL 9 FEBRUARY 2010

Present: - Councillors Arnold, Cory, Hogg, Maclean, Naish, Sykes, Taylor, Willetts and J Young

Substitutions: - Councillor Manning for Councillor Barlow
Councillor Bouckley for Councillor Pyman

48. Minutes

RESOLVED that the minute of the meeting held on 5 January 2010 was confirmed as a correct record.

49. Decisions taken under special urgency provisions

Councillor Arnold informed the panel that he had certified the following decisions taken under special urgency provisions. Firstly, the Cabinet decision North Colchester Business Incubation Centre – Construction Contract, taken on the 7 January 2010, the urgency, because delaying a decision until the next Cabinet meeting on the 27 January 2010 would put the funding in jeopardy. Secondly, the Cabinet decision VAF related issues, taken on 26 January 2010, the urgency due to the need to issue proceedings in order to preserve the Council's legal and financial position.

Councillor Taylor declared a personal interest in the following item.

50. Colchester Community Stadium Company

Mr. David Murthwaite and Mr. Clive Gilham, Chairman and Chief Executive of the Colchester Community Stadium Company (CCSC) attended the meeting for this item.

Mr. Murthwaite and Mr. Gilham gave a presentation to the panel, Mr. Murthwaite focusing on the history of the stadium project, the core principles of the CCSC and the Key Stakeholders. Mr. Gilham focused on the formation of the company, owned by the Council with key issues requiring Council approval, the director's roles and responsibilities, monthly board meetings and the Annual General Meeting. Mr. Gilham explained the financial arrangements of the CCSC, with income from leases and hospitality revenue (£20,000) totalling £53,750, offset against the administrative, insurance and support costs of £50,000, with the Council deciding on how to manage any profits. It was further explained that the rental income generated by the club, £350,000, was paid directly to the Council, as will future income generated by ticket sales. Mr. Gilham concluded by explaining their community role, with 200,000 users in the first year (including 150,000 match day fans), the role and purpose of the events committee, community events and usage.

In response to Councillor Naish, Mr. Murthwaite said both the club and the CCSC are concerned about the poor state of the football pitch, unfortunately at a time when live national

coverage was given to a recent match. It was explained that the both the club and CCSC except this as a shared problem. It has been agreed that the club, who were responsible for letting the contract to lay the pitch will liaise with the company to determine the reasons for the deterioration and remedial action, and the contract is currently being examined to determine obligation.

Mr. Gilham explained to the panel that the CCSC advertise through their website, outlining all the Community Stadium's facilities and events, and have recently placed articles in the local Colchester Courier and the Myland Parish Magazine. Mr. Gilham said the CCSC was committed to operating in a transparent environment, acknowledging to Councillor Arnold the need to increase the information available on the website, for example, information on company performance against key performance indicators within the service agreement.

Councillor J Young expressed a debt of gratitude to Mr. Murthwaite to oversee the Community Stadium Project from the outset of the development stage to the present. Mr. Murthwaite thanked Councillor Young for her comments, adding that the CCSC would not achieve anything without the continual strong political support from the Council. Later in the discussions, Mr. Murthwaite said a strong and good relationship with all three partners will give immeasurable help to overcoming difficulties that arise, that said, like most partnerships, when things are going well all is o.k., but major problems can cause relationship difficulties. Mr. Gilham followed on by describing partnership meetings as open, with detailed minutes, nothing hidden, a transparent process, but ultimately to get to a point where a general agreement is reached by all parties. That said, there remained major issues to be resolved before all leases are signed by all parties, with a temporary licence in place until mutual agreement is reached.

Councillor Young said she had experienced poor telephone call handling when recently contacting the stadium for booking information, a point acknowledged by Mr. Gilham who confirmed there was an enquiry response monitoring process in place, subject to audit and he confirmed he would investigate this and where necessary improve procedures. Mr. Gilham said in terms of apprenticeships, he understood the aspirations of young people to go to the club but this was exclusively for the football club to manage.

Mr. Gilham confirmed to Councillor Bouckley that the Travel Plan Sub Group meet regularly to discuss issues and developments associated with travelling to the stadium. There are currently 667 spaces available to cars on match days, with priority given to cars travelling with two or more passengers. Mr. Gilham confirmed to Councillor Arnold acknowledgement of the complaint by a local resident affected by the floodlights during evening matches, but to his knowledge the angle of the floodlights had been adjusted to resolve the issue to the resident's satisfaction.

Mr. Gilham responded to Councillor Willetts, saying the financial agreements meant there was a legal obligation for the club to meet all payment schedules which have been paid in full to date. Regardless of the success of the football club, Mr. Gilham expected hospitality revenues to continue to be profitable with the club and Council benefitting from this income, though the amount paid to the CCSC is fixed at £20,000 for the first two years of operation. For the first ten years of occupation of the stadium, the club will pay £350,000 per annum in rent directly to the Council, changing to 15% of ticket sales revenue from year eleven onwards.

Councillor Arnold echoed Councillor Young's earlier comments in thanking Mr. Murthwaite for his contribution in overseeing the Community Stadium Project from the development stage to the present, and on behalf of the panel, thanked both he and Mr. Gilham for attending the meeting, giving their presentation and responding to Member's questions.

RESOLVED that the panel commented on and noted the work of the Colchester Community Stadium Limited.

Councillor J Young (in respect of being a Member of Essex County Council) and Councillor Naish both declared a personal interest in the following item.

51. Review of the Portfolio for Planning, Sustainability and Environmental

Councillor Barton, Portfolio Holder for Planning, Sustainability and Environmental attended the meeting for this item, and gave the panel a short resume of the highlights and good news stories happening as part of the work within the service areas of her portfolio over the last year.

In response to Councillor Manning, Councillor Barton said she did not know off hand the amount of income generated by the sale of services provided from within Environmental and Protective Services, and agreed to forward a detailed response of this income to members.

In response to Councillor Taylor, Councillor Barton said following the Fundamental Service Review of Environmental and Protective Services, she remained confident that the current staffing levels within the Planning Enforcement Team was adequate to deal with all issues arising and that the mediation process adopted by officers at Colchester was correct. Councillor Barton later confirmed to Councillor Young that the realignment of staff resources had allowed for a more outward and collaborative approach adopted by planning officers, and to Councillor Arnold, that she would provide an update on staffing levels to members. Councillor Barton also assured the panel that the regeneration of the Hythe area of Colchester had not stalled. The renewed Hythe Station was to be relaunched very shortly, and should prove a great success with current and potentially new public transport users. The regeneration of the Breakers Park site was being reconsidered by the three joint owners, with the possibility of housing built on the higher ground, with green open space sweeping down to the water front, and the Fieldgate site was being considered for future business development. Progress is also being made on the Centre for Human Rights at the University including the knowledge gateway and infrastructure is currently being put in place at the University of Essex Business Park, European funding permitting, to enable sustainable business clusters to develop.

Councillor Barton responded to Councillor Young concerning a new Colchester Bus Station, saying Colchester, in partnership with Essex County Council (ECC) were looking at and considering new ideas that were emerging out of discussions, and were being considered in the context of the wider Town Centre work and the night time economy. It was envisaged that any proposals for consideration will go to public consultation some time in March, but prior to this officers would brief all Councillors.

In reference to Councillor Naish's concern about town centre traffic congestion, Councillor Barton said the Council are introducing new initiatives and schemes to tackle congestion busting, the regenerated Hythe Station and improved pedestrian and cycling routes (Cycling Town status) being good examples, though later in the discussions confirmed to Councillor Bouckley that the ambition of an off-road cycle route from Colchester to Mersea Island would be very difficult to implement due to problems with land ownership. There was a continuous on-going dialogue with ECC on the new A12 junction, due for completion by March 2011, and the development of a park and ride scheme to compliment the new junction. Councillor Barton said the Council continued to make progress with the rail companies, to provide additional cycle parking facilities at the stations, and confirmed to Councillor Willetts that ongoing dialogue with

the bus companies continued in an effort to provide improved bus services to residents living in rural areas of the Borough.

In reference to trees in the context of wider environmental initiatives, Councillor Barton confirmed to Councillor Arnold that tree planting continued along Stadium Way, but could not provide any further information at the meeting.

Councillor Barton agreed with Councillor Willetts that the Vineyard Gate regeneration project had slowed, primarily due to the economic downturn. Councillor Barton confirmed that she and officers are in regular communication with the developers to find ways to deliver this project

Councillor Barton confirmed to Councillor Cory that work undertaken as part of the Sustainable Communities Act remained a Council priority, as was the implementation of the Nottingham Declaration objectives, examples being the reduction of CO2 emissions through for example, the refurbished Leisure World swimming pool, new crematorium cremators and improvements to Rowan House lighting. A staff awareness campaign is to be re-launched by the Council shortly.

RESOLVED that the panel thanked Councillor Barton for attending the meeting and responding to member's questions.

Councillor Naish, whose mobile telephone rang during discussions on the above item dutifully donated £20.00 to the Mayor's Charities fund.

Councillors J Young and Sykes (in respect of being Members of the Colchester Borough Homes Board) both declared a personal interest in the following item.

52. Review of the Portfolio for Neighbourhoods

Councillor Beverley Oxford, Portfolio Holder for Neighbourhoods attended the meeting for this item and gave the panel a short resume of the highlights, her work and the good news stories happening as part of the work within the service areas of her portfolio over the last year.

In response to Councillor Bouckley, Councillor Oxford agreed to provide members with details of the Council's managed house purchase mortgages. Councillor Oxford also confirmed that if there was one practice she would like to see improved or radically changed, it would be reduction or elimination of the very large amount of officer time spent logging 'Diary Sheets', a necessity in providing the legal evidence at court.

Councillor Oxford responded to Councillor Naish on Homelessness, Temporary Accommodation (TA), house repossessions and flat tenants with dogs. She confirmed there remained a hard core of homelessness people in Colchester, whom she hoped to meet when participating in a future 'soup run'. These people, she confirmed are given every opportunity to seek help, but this cannot be forced, as sad as it is, it is their choice. Providing alternative accommodation to people in TA was not easy, many of these people have complex needs such as drug and alcohol dependency and can remain in TA for as long as twelve months. A positive initiative was the rebuilding of Ascot House that will improve the facilities and provide 24/7 care, though the project is in its early stages with no completion date. Council officers provided support and advice to individuals and families whose homes are repossessed, and the Council provided advice leaflets with helpline numbers, but the onus is on people to visit Angel Court and ask. Whilst keeping dogs in flats was in breach of the tenant's tenancy agreement,

tenants continued this practice. Councillor Oxford said she would like to see Housing Officers be more proactive in determining where dogs were kept, but was told this was difficult to manage, and later explained that modification of tenancy agreements was needed. Councillor Young believed new legislation now meant a distinction between current and new tenants, with a different approach taken to new tenants, but the new approach was not retrospective.

In regards to Registered Social Landlords, Councillor Oxford confirmed to Councillor Maclean that the Council worked in partnership with about six major housing associations and cited as an example the joint working with Colne Housing, who had a good reputation for managing and supporting their tenancies.

Councillor Oxford confirmed to Councillor Young that the Council was currently undertaking a survey of all Sheltered Housing, to determine conditions and options and potential refurbishment costs, refurbishments that would provide to each flat its own self contained washing and toilet facilities. Councillor Oxford also agreed that cases referred to the Medical Panel often take a very long time to conclude, but this was due, more often than not, to cases with complex needs, continuous and often slow dialogue with the person's GP, and then the need to find a suitable placement. Replying to Councillor Sykes, Councillor Oxford said the new Sheltered Managers Scheme 'Hubs and Spokes' provided a central location from which the managers operated, travelling to the various schemes on a regular schedule, and responding to extraordinary requests as required. Councillor Oxford understood some tenant's dissatisfaction with the new scheme, but it was early days and she was confident the operations would be enhanced and the relationship between the managers and occupants would improve.

In respect of Councillor Arnold's enquiry about temporary accommodation, and following on from the evening's review, it was confirmed after the meeting that the temporary accommodation project is making good progress. A service description is currently being agreed with the external Registered Social Landlord, Family Mosaic, and a meeting is planned for March with the Homes and Communities Agency to clarify if funding is available.

In regards to the redevelopment of garage sites, Councillor Oxford said grant funding for the Darwin Close site had been agreed in principle from the Homes and Communities Agency with the project due to commence imminently. The redevelopment of the Gloucester Avenue site has been delayed due to concerns about sub stations and access to the site, but plans are being re-submitted that will move this project forward.

RESOLVED that the panel thanked Councillor Beverley Oxford for attending the meeting and responding to member's questions.

53. Work Programme

RESOLVED that the work programme was agreed.



Strategic Overview and Scrutiny Panel Scoping Document

Item
10

Committee	Strategic Overview and Scrutiny Panel	
Topic	Investment in Colchester's Arts and Culture	Ref: SCR/1
Objective	The Panel is asked to review the Council's investment in Colchester's major art venues, and the extent to which those venues contribute to the Council's strategic priorities and to make the appropriate recommendations to Cabinet for consideration.	
Reasons for undertaking review	<p>The Council's Code of Corporate Governance states the aim for robust scrutiny, and a principle to engage with stakeholders to ensure public accountability.</p> <p>Following the panel's review of Colchester's Arts and Culture funding partners in November 2008, the panel requested further annual reviews.</p> <p>The Strategic Overview and Scrutiny Panel agreed to invite representatives from Firstsite, Colchester Arts Centre and the Mercury Theatre, together with our joint funding partners Arts Council England East and Essex County Council to the meeting of 2 March 2010 for scrutiny.</p>	
Approach	<p>The basis for scrutiny will be the agreed SLA Framework against which the current contribution to the Council's Strategic priorities will be judged by the panel.</p> <ol style="list-style-type: none"> 1. Consider the current performance against the current standard(s). 2. Consider the fit between the contribution of the funded arts partners and the Council's strategic priorities and plans. 3. Make the appropriate recommendations to Cabinet. 	
Membership	Full Panel	

Background Information

The Council's investment in Colchester's Arts and Culture:

Firstsite

Firstsite is a contemporary visual arts organisation which is currently based at 4 – 6 Short Wyre Street, Colchester. Firstsite's vision is to enable new encounters and conversations between art, artists and audiences through the delivery of a programme of contemporary visual art which is both locally relevant and internationally significant.

In 2009/10, Firstsite received the following public funded awards, £600,000 from Arts Council England East, £200,000 from Colchester Borough Council and £100,000 from Essex County Council.

Colchester Arts Centre

Colchester Arts Centre promotes a wide range of contemporary performing arts and takes a leading role in the development of live art through commissions and international partnerships. The Centre's mission is to provide, stimulate and nurture a diverse and dynamic series of arts events and activities of the highest quality and in doing so declare a bias towards new work, innovation, experimentation and international work.

In 2009/10, Colchester Arts Centre received the following public funded awards, £115,839 from Arts Council England East and £81,000 from Colchester Borough Council.

The Mercury Theatre

The Mercury Theatre strives to create work which enriches audiences intellectually, emotionally and spiritually, and reach younger and broader audiences through a commitment to quality, innovation, diversity and accessibility. The theatre and its work will actively contribute to the regeneration of producing theatre in the region, through partnerships with Arts Council England East and other regional organisations.

In 2009/10, The Mercury Theatre received the following public funded awards, £812,417 from Arts Council England East, £298,000 from Colchester Borough Council and £72,008 from Essex County Council.

Supporting documentation	<p>A covering report from the Head of Strategic Policy and Regeneration, including the individual Funding Agreements between Colchester Borough Council (CBC) and Colchester Arts Centre and Firstsite Ltd and the Service Level Agreement between CBC, Arts Council England, Essex County Council and The Mercury Theatre, and the respective mid year performance review reports for 2009-10.</p>		
Representatives	<p>The following <u>representatives</u> have accepted an invitation to attend this meeting;</p> <p>Ms. Andrea Stark, Arts Council England East Ms. Helen Lax, Arts Council England East Cllr Jeremy Lucas, Essex County Council Portfolio Holder for Heritage, Culture & Arts Mr. Anthony Roberts, Colchester Arts Centre Ms. Kath Wood, Director, Firstsite</p> <p>Mr. Wayne Warner, Director, Firstsite Mr. Adrian Grady, Executive Director and Mr. Tony Casement, The Mercury Theatre</p> <p>Ms. Dee Evans, Chief Executive, The Mercury Theatre is unable to attend.</p> <p>Officers</p> <p>Ms. Lindsay Barker, Head of Strategic Policy and Regeneration Ms. Josie Worner, Cultural Services Manager</p> <p>Other Invitees:</p> <p>The Chairs of the respective boards, Mr. Chris Paveley (Firstsite), Dr Elizabeth Hall (The Mercury Theatre) and Mr. Nigel Hildreth (Colchester Arts Centre) have all been invited to attend the meeting.</p> <p>Presentations:</p> <p>Ms. Andrea Stark, followed by Councillor Lucas will address the panel at the commencement of this item, before representatives from the various organisations give short presentations on the delivery of arts and culture within their respective organisations.</p>		
Future Action			
Governance Officer	Robert Judd Scrutiny Officer	Committee Officer	-
Lead Officer(s)	Pam Donnelly, Executive Director		

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Strategic and Overview Scrutiny Panel

Item

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2 March 2010

Report of

Head of Strategic Policy and
Regeneration

Author **Josie Worner**
☎ 282914

Title

**Review of the Council's relationship with Colchester Arts Centre, firstsite
and Mercury Theatre**

Wards
affected

Not applicable

On 2 March 2010 the Strategic Overview and Scrutiny Panel will review the Council's investment in Colchester's major art venues, and the extent to which those venues contribute to the Council's strategic priorities and to make the appropriate recommendations to Cabinet for consideration.

1.0 Purpose of report

- 1.1 The following commentary on the Council's relationship with Colchester Arts Centre, firstsite and the Mercury Theatre is provided as evidence by the Cultural Services Manager who has responsibility for the day-to-day management of that relationship.

2.0 Partnership delivery arrangements

- 2.1 Colchester has a strong cultural scene that is considered to be one of the town's unique selling points and a key part of delivering the Council's vision that Colchester will continue to be a place where people want to live, work and visit.
- 2.2 The town's cultural vibrancy is the legacy of a local funding and partnership delivery model that is regarded as best-practice in the region. The Council's funding model aims to return greater investment to the local economy, support jobs and develop the cultural and creative industries and provide activities and attractions for local people and visitors alike.
- 2.3 Colchester Borough Council invests in Colchester Arts Centre, firstsite and the Mercury Theatre because there is clear evidence that all three organisations provide important services to Colchester's residents and meet the Council's strategic priorities.
- 2.4 The funding and partnership delivery arrangements are set out annually in individual Funding Agreements between the Council and Colchester Arts Centre and Firstsite Ltd, and a Service Level Agreement between The Council, Arts Council England and Essex County Council and The Mercury Theatre. The process of setting and agreeing annual key performance targets helps to ensure that the Council's investment of public funds meets identified needs and continued service improvement to develop more efficient and sustainable partnership delivery arrangements. Copies of these agreements can be seen in appendix D, E and F.

- 2.5 The Council determines the suitable level of core funding to be provided based on analysis of the organisation's business and operations plan and in collaboration with the other funding partners - Essex County Council and Arts Council England.
- 2.6 In accordance with the Council's budget process, the level of investment is advised and agreed each financial year, but the Council aims to assist the venues to plan over the medium term to assist their planning processes and to maintain best practise and high levels of service delivery.

3.0 Financial Arrangements

- 3.1 Between 1 April 2009 and 31 March 2010, the Council has provided core funding of:
- £81,000 to Colchester Arts Centre
 - £200,000 to firstsite Ltd
 - £298,000 to the Mercury Theatre
- 3.2 This funding was agreed by the Cabinet and full Council in line with the budget strategy to support the core operations of the organisation as set out in the business and operations plan and to meet the targets for performance set out in the Funding Agreements.

4.0 Eligibility and performance monitoring

- 4.1 In order to be eligible for funding the organisation must supply evidence to demonstrate that they are:
- Properly constituted and financially viable
 - Able to manage its work effectively including operating with necessary and proactive policies and procedures in risk management, equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults.
 - Delivering on the strategic priorities as set out in the Council's Strategic Plan.
- 4.2 The organisations provide the Council with copies of their business and operations plan, a copy of audited accounts for the previous year, and a financial plan to cover at least the period of the agreement, and usually forecast three years ahead.
- 4.3 As a minimum throughout the term of the Agreement, the organisations submit quarterly budget reports and invite a Council representative to observe at least two Board meetings.
- 4.4 The organisations also participate in review meetings twice a year and a mid year performance review report for 2009-10, as provided to the Portfolio Holder for Culture and Diversity, can be seen in appendix A, B and C.
- 4.5 At the end of the year, the organisations submit performance data including turnover, audience and participation levels, as well as detailed commentary on

performance against specific targets to deliver on the Council's Strategic Plan. (See Section 5 for 2008/09 data).

5.0 Strategic Plan References

- 5.1 The delivery of cultural activity through partnership with Colchester Arts Centre, firstsite and the Mercury Theatre is a key part of delivering on the Council's vision that Colchester to continue to develop as a place where people want to live, work and visit.
- 5.2 The Agreements in place set out performance targets that will deliver on the Council's Strategic Plan by:
- Addressing young people's needs
 - Addressing older people's needs
 - Promoting healthy living and inclusive lifestyle
 - Working with communities to develop capacity and address need
 - Aligning with the Council's Reduce, Re-use and Recycle agenda
 - Enabling Job Creation and developing the skills economy
- 5.3 See link to Appendix for a summary of performance targets set to meet the Council's Strategic Plan and commentary on the originations' performance to meet these targets and half way through the year.

6.0 Performance data

- 6.1 The performance data below is provided from 2008-09, and is the last full years data collected. This information is given as a means of benchmarking against the current years information to be presented by the funding partners at the meeting on 2 March 2010. The mid year performance review data for 2009-10 can be seen in appendix A, B and C.

	Colchester Arts Centre	firstsite	Mercury Theatre
Arts Council Funding	£112,794	£600,000	£791,059
Colchester Borough Council Funding	£81,000	£200,000	£298,000
Essex County Council Funding		£100,000	£70,944
Other / project / restricted funds	£179,714	£504,971	£42,758
Earned income	£377,540	£7,338 NB: £675,000 forecast upon opening VAF	£1,865,070
Capital funds raised / pledged		£978,000	
Audience numbers	49,872	1,650 NB: 120,000 – 150,000 forecast upon opening VAF	120,672
Participation figures for education and community programmes	3,780	10,546 NB: 20,000 forecast upon opening VAF	19,651

Strategic Arts Funding Programme 2009/10
Mid-year performance review
Colchester Arts Centre

Introduction

- 1.1 The Council delivers its Cultural Services through partnership delivery arrangements with Colchester Arts Centre, firstsite Ltd and the Mercury Theatre.
- 1.2 In community development and place shaping terms, Colchester has a strong arts and cultural scene that is considered to be one of the town's strengths and a key factor in making Colchester a place where people want to live, work and visit.
- 1.3 The Council funds these organisations because there is clear evidence that the organisations provide services to meet the Council's strategic priorities. Performance targets for 2009/10 have been set out in the Funding Agreement between firstsite and Colchester Borough Council in line with the Strategic Plan.
- 1.4 This mid-year report seeks to give the Portfolio Holder a view as to performance against these agreed targets.

Eligibility and Criteria for Acceptance

- 2.1 Colchester Arts Centre has provided the following information to meet criteria for eligibility for funding:
 - 2.2 Audited Accounts for 2008/09 which have been reviewed by the Council's Financial Services.
 - 2.3 The Board and staff have undertaken a series of workshops to develop the Business Plan. An identification of current and foreseeable future operational risks and challenges completed as part of the comprehensive review and redevelopment of the business plan (a process funded by ACE, with support from CBC).
 - 2.4 At the half year review, the Arts Centre has taken the following key actions to continue to ensure that their policies and practices relating to equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults remain current and effective:
 - 2.5 Implemented changes to CRB checks in line with new procedures, including running a check on the Director so that he can give a programme of talks to school groups and other community groups.
 - 2.6 Monthly meetings are held between the Director and Production Manager to discuss Health and Safety requirements.

2.7 Attended a seminar, held by the Arts Council, on community engagement seeking to explore ways that the Arts centre can increase and diversify access to its services.

2.8 Evidence provided of the Arts Centre’s delivery on the service targets set out against the Council’s Strategic Plan follows:

Target	Mid year performance
Performance overview	
Delivery close to 300 events Target to achieve 40,000 audience and participants Maintain at least 60% local audience Maintain at least 20% visitor audience, contributing to tourism economy Target to achieve 900% rate of return on CBC investment	123 events 24000 audience 69% of ticket buyers logged on box office have CO postcode Currently estimating 750%
Community outreach and development	
Target to sell 5,000 concessionary tickets Target to reach 6,000 people through community outreach projects Target to reach 10% disabled audience Target to increase members on affordable scheme to 90 Target to deliver 15 community events within the venue to diversify the use and access (e.g. farmers markets, book swaps, beer festivals) Target to deliver 3 projects in super output areas	1890 Music of Place produced as Part of GiFT and Heritage Open Days. 3 local, and 1 nationally reputed, composers wrote music to interpret the heritage crown jewels - The Town Hall, Bourne Mill, Tymperlies and the Castle. 10,464 visits were made to HoD (smashing previous records). This compares to 5772 in 2008. Music of Place contributed a 5,000 uplift through wider marketing of GiFT and festival activity. Exceeded target. Membership is 138 The venue has been used to widen community access with The Big Book Swap, Frock Swap, monthly ENform Farmers Market, monthly under 18’s disco “asylum” and a school’s film education screening programme. Working in partnership with firstsite, delivering visual arts and craft workshops through Art Stop Bus Stop to targeted community locations – 37 sessions reaching 4015 children and family

<p>Board to review equality and diversity policies within context of new business plan deliverable within 09</p> <p>Black History Month supported to diversify audience.</p>	<p>participants this year to date.</p> <p>Choreography workshops held with two groups of children (ages 3-5 and 5-7 years) from Willowbrook School in St Annes. The younger people will be part of the 30th birthday celebrations on 21 Nov. The workshops have been developed to help raise cultural provision and to support the school to provide opportunities for cross generational participation.</p> <p>Children's theatre outreach sessions run with Greenstead Community Centre to deliver cultural provision where there is low resources and capacity.</p> <p>Business Planning sessions have been held with Board and staff including discussion of equality, diversity, access and engagement. Target now for Board to sign off the Business Plan by March 2010.</p> <p>2 high profile concerts at Colchester Arts Centre - Seiku Keita Quintet and Mamanne Barka</p>
<p>Younger people and older people</p>	
<p>Deliver 60 gigs and 40 events targeted at young people</p> <p>Target 18,000 young people to attend events</p> <p>2 young people mentored</p> <p>Maintain 45% are under 35</p> <p>70 folk and jazz events targeted at an older audience - Target to reach 7,000 older people</p> <p>Maintain 17% of audience under 24</p> <p>Contribute to 90 young people trained through Escalator East</p> <p>Can report scheme is in very good</p>	<p>32 Gigs 46 targeted at younger people (includes comedy)</p> <p>13,200 (includes outreach events)</p> <p>0 to date</p> <p>Currently unknown</p> <p>26 to date Audience Estimate 2,600</p> <p>Currently unknown</p> <p>Specifics held with co managers of project Junction</p> <p>Lead on the Escalators East programme in</p>

<p>health, on track and on target in all essentials</p> <p>Monitor use of communications channels (e.g. internet, sms, myspace, and facebook)</p> <p>Target to reach 1,000 students through education activity</p>	<p>performing Arts. 100 applications received. Devise a programme of targeted professional development support to 10 successful applicants (emerging artists and arts workers).</p> <p>The Arts Centre has also partnered with Colchester Institute to offer Escalator Futures to identify and support talent at its earliest stage.</p> <p>Use of social marketing (or viral marketing) websites continues to be strong. The Arts Centre also has hundreds of entries on You Tube. These marketing methods tend to reach younger audiences as well as customers who respond well to a personal connection to service/brand.</p> <p><i>See Willowbrook School, Sir Charles Lucas, and film education programme.</i></p> <p>Also delivered a presentation and discussion session for St Helena's School inline with their Performing Arts module.</p> <p>3 choreography workshops held with Sir Charles Lucas school to support teaching of the Performing Arts module (for which SCL has special status). The students will be part of the 25th birthday celebrations on 21 November. The Director has also given a series of talks to students about the business aspects of the industry.</p>
Jobs creation and creative sector development	
<p>5 FTE, 2 part time staff 25 casual and freelance employees including technicians, security and bar staff Around £200,000 spent on salaries (FTE, casual and freelance) Around £132,000 on artists and creative workers (35% local workforce) Around £175,000 spent on local supplies and services At least 20% of audience comes from outside Colchester, contributing more to the local economy Spend about 50% of turnover in local economy</p>	<p>Full time 3 Part time 5</p> <p>Current budget projections are consistent with projections on all elements.</p> <p>Professional development training has been provided for Production Manager and Front of House Manager.</p>

<p>Target to fill 10 volunteer and work experience placements and 10 casual and freelance placements to people seeking skills in cultural and creative industries</p> <p>Assist Council in PRIME research into economic impact to establish performance targets</p>	<p>Through a partnership with Trident, 12 work placements have been provided this year to date. This partnership has been a particular success implemented this year.</p> <p>Sector worth £23m (gross) / £10.7m net CAC £2.85m gross / £1.27m net impact and supports 58 job gross / 27 job net.</p>
<p>Reduce, reuse, recycle</p>	
<p>Partnership with ENform to adopt a green policy and action plan to reduce environmental impact of the organisations operations. Board to adopt policy by March 2010.</p>	<p>Work ongoing.</p> <p>An environmental consultant has been agreed to help achieve this output.</p>

Strategic Arts Funding Programme 2009/10
Mid-year performance review
Firstsite Ltd

Introduction

- 1.1 The Council delivers its Cultural Services through partnership delivery arrangements with Colchester Arts Centre, firstsite Ltd and the Mercury Theatre.
- 1.2 In community development and place shaping terms, Colchester has a strong arts and cultural scene that is considered to be one of the town's strengths and a key factor in making Colchester a place where people want to live, work and visit.
- 1.3 The Council funds these organisations because there is clear evidence that the organisations provide services to meet the Council's strategic priorities. Performance targets for 2009/10 have been set out in the Funding Agreement between firstsite and Colchester Borough Council in line with the Strategic Plan.
- 1.4 This mid-year report seeks to give the Portfolio Holder a view as to performance against these agreed targets.

Eligibility and Criteria for Acceptance

- 2.1 Firstsite has provided the following information to meet criteria for eligibility for funding:
 - 2.2 Audited Accounts for 2008/09 which have been reviewed by the Council's Financial Services.
 - 2.3 Monthly discussion at Project Team of the ongoing steps that the Executive of firstsite are undertaking to manage and mitigate risks.
 - 2.4 The key risk materialising is due to further delay on the capital project and in particular relates to capital and revenue funding that has been pledged. The delay on construction and uncertain completion date is causing Trusts and Foundations to review their position on funding.
 - 2.5 It is important to flag this risk up at the mid-year review because if capital or revenue funding is lost it will have a significant impact upon firstsite's Business, Operations and Financial Plan. Detail is kept in firstsite's risk register.
- 2.4At the half year review, firstsite have taken the following key actions to continue to ensure that their policies and practices relating to equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults remain current and effective:

- In June, firstsite had a review of its employment policies and procedures to align with recent updates in legislation.
- Following the review firstsite have reviewed and adjusted their staff handbook.
- Key staff have attended training on new processes in CRB checks.
- Firstsite have set up operational committee including Health and Safety and Risk.
- Firstsite undertake proactive programming to meet equality and diversity requirements and demands inline with the Borough's population (see below).

2.5 Evidence provided of firstsite's delivery on the service targets set out against the Council's Strategic Plan at monthly Project Team meetings. The summary below was agreed at the mid year review.

Target	Performance
VAF sustainability	
Secure £258k to contribute to the capital budget for the VAF	Target has been met. Firstsite have paid £158,000 and the remaining £100,000 will be paid on practical completion.
Secure at least £542,000 to procure furniture, fixtures & fittings to meet the operational requirements of VAF, and specify and procure the necessary equipment and systems.	<p>Scoping work has suggested a requirement for nearly £1m. Firstsite have raised funding to exceed target and meet scope. This funding is pledged, however continued delay is placing increased risk. (Detail in the financial plan and risk register).</p> <p>Cash flow has been flagged as a major issue affecting the FFE process. Fowler Smith Jones capital grant of £180,000 will not be released until a practical completion date can be given.</p> <p>Foundation for Sport and the Arts capital grant of £250,000 dependant upon practical completion and land registry.</p>
Secure a diverse base of revenue funding to support programme delivery 2009-12 in line with the Business Plan.	Firstsite Executive have been working to keep Trusts & Foundations fully briefed on the further delays to the capital build as well as work being undertaken to agree a plan to deliver

	<p>phase 2. The value of risk associated is £275,000 capital and £200,000 revenue.</p>
<p>Develop the commercial systems (i.e. Catering, Retail, Conferencing, pre-sale hires and events) in order to meet operational requirements and to achieve 45% earned income when in the new facility.</p>	<p>Negotiating contract services for plant, water treatment, cleaning, utilities. Adjusted target due to further delay of capital build. Developing an earned income strategy for the interim period which includes GiFT aid, retail, meeting rooms, and children's birthday parties. Refreshed feasibility of catering and conferencing given changes in the market in Colchester.</p>
<p>Lever into Colchester 4x the funding that CBC provides for the delivery of robust, accessible and diverse Cultural Services. (In a year with no operating income.)</p>	<p>Objective achieved.</p>
<p>Community development</p>	
<p>Promote Colchester's distinctive arts and heritage to residents and visitors so that people feel proud of and connected to the place where they live and in doing so help to deliver the Council's vision that Colchester will be a place where people want to live, work and visit.</p>	<p>firstsite have programmed a series of talks to accompany Essex Summer of Art. They took place throughout the summer and covered a range of topics. The talks took place from May 2009 to September 2009 Summer of Art encourages visitors to visit the Essex art trails and explore the landscapes that have inspired generations of artists.</p> <p>New Public Art trail</p> <p>Artist Richard Layzell shared his work on family lineage and community in a work exploring the history of St Botolph's.</p> <p>Work in partnership with Colchester and Ipswich Museum Service to test the feasibility and tender for the move of the Roman domestic mosaic into the VAF (original site). There is a risk that the delays on the capital project may impact on the HLF funding.</p> <p>Artist Kathleen Herbert made a film that was inspired by William Gilbert</p>

	<p>and shown in Holy Trinity Church. Firstsite contributed a variety of projects to GiFT a month long programme of arts that explored the heritage of the town. Evaluation of the social, economic and place making benefits of 'festival' activity is underway.</p> <p>Firstsite have delivered a series of debate programmes reflecting upon Colchester's community and identity (e.g. Chinese community, partnership with University, links to Garrison). At mid year, 300 people have attended out of a year end target of 500.</p>
<p>Work with the Chinese community and older people on a community development project.</p>	<p>Public works – <i>Colchester Inn</i> engaging 50 participants.</p> <p>Colchester Inn is a project about hosting and welcoming in Colchester. Initiated by public works commissioned by firstsite.</p> <p>Firstsite have working with a variety of community and interest groups from Colchester and the surrounding areas to find out how they host others and collaboratively create a new communal meeting room for Colchester</p> <p>This group will become a peer advice group for the new building</p>
<p>Pilot an arts-led community development project in key target wards to respond to issues facing Colchester communities.</p>	<p>Work underway to deliver The Street in Spring 2010. The Street will target 3 wards in Colchester; using creative skills to help cross generational groups of residents explore and respond to issues that affect their community. An organisation called London Play is leading (Director based in Wivenhoe) and will align to the Council's Play strategy.</p>
<p>Develop a programme to address BME communities in partnership with the Essex Diversity Forum.</p>	<p>Firstsite have programmed the visual arts activities as part of Black History Month.</p> <p>Working with TACMEP and artists Wanja Kimani to develop a project called A Piece of Me to explore themes of home and family through</p>

	culturally-based crafts.
20 volunteer and work placement roles offering a combination of training and mentoring support.	To date firstsite have employed a number of volunteers to support the community projects, to date approximately 1784 volunteer hours have been achieved and there are between 21-25 volunteers currently working with firstsite. Excluding Slack Space
Diversify the audience base and maintain profile locally, nationally & internationally.	Redevelopment of website to offer social networking, online retail, interactive options, education and learning downloads. Firstsite have participated in Mosaic customer profile research with Colchester Borough Council (underway). Firstsite are participating in an Arts Council led audience segmentation project to help reach target markets more intelligently.
Younger and older people	
Delivery of an outreach schools education programme delivered to 14 schools in Colchester in the interim period.	Working with primary and secondary schools Teachers' Advisory Group Art Reflecting Citizenship education packs in circulation between 14 primary schools relating to the key stage curriculum. Working with local schools to establish an advisory group for the procurement of FFE Firstsite have undertaken 8 school visits
Restructure the learning programme to meet the new opportunities and facilities of the new building.	Develop a programme bid for £200,000 to Paul Hamlyn Foundation to secure revenue for 2010/12 (builds upon current relationship with Hamlyn) Head of Learning appointed bringing experience of a multi functional arts facility with a core conference offer.
Deliver an outreach programme targeting children and their families in areas facing deprivation and/or with low arts and cultural provision.	37 sessions of <i>Art Stop: Bus Stop</i> reaching 4015 children and family participants this year to date. Street Art project engaged young people from Greenstead and Highwoods and involved Young Persons Drug and Alcohol Awareness

	<p>Service. Exhibition in Slackspace October. Pilot to run now in Mile End. Young people aim for Duke of Edinburgh Award scheme and Essex Arts Award.</p> <p>Awarded 2 years funding for Airlock to work with looked after children, in partnership with Essex children's Services. Project under development to launch Decembers</p>
Working in partnership with 4 Ormiston centres in Colchester's super output areas.	<p>Scribbles and Dribbles delivered in partnership with National Childbirth Trust 2x per month.</p> <p>Easter and Summer workshops at Ormiston Centres reaching over 400 children and their families.</p>
Development of youth consultation and advisory panel	Young people involved in Street Art as well as from specialist art schools in Colchester will form part of the youth advisory panel.
Craft project with retired communities that will lead to the establishment of an older persons peer group that will advise on programming, furniture choices, and retail in the new building	Scoping and research completed. Adjusted target date as this programme relates to the new building.
Healthy living	
Work with Cycle Colchester to enhance Cycling Town status and spread positive messages of healthy living and sustainable transport options.	<p>500 participants ?</p> <p>Cycling Week</p> <p>Tour Series</p> <p>Re launch View finders trail</p> <p>Commissioned film of View Finders trail</p>
Reduce, reuse, recycle	
Adopt an ethical and sustainable procurement policy.	<p>Board adopted June 2009</p> <p>Policy stipulates procurement preference to use local suppliers.</p>
Implement a sustainable waste and recycling policy	<p>Policy in place based on sustainability appraisal of VAF.</p> <p>Use of materials in education and community outreach programmes</p>
firstsite will continually measure and aim to reduce its carbon footprint	Target refers to new facility.
Enabling Jobs Creation, sector skills development and sustainable contribution to the Local Economy	

<p>Develop long term partnerships with the Further and Higher Education sector in Colchester to ensure a continuum of support from professional skills development through to work place entry.</p>	<p>Firstsite has developed a 6-year partnership with the University of Essex which links to delivery of MA courses, knowledge transfer, business development and enterprise support as well as conferencing and UECLAA.</p> <p>Supporting Colchester Institute with TATE Artists Rooms throughout November (National resource for local students).</p>
<p>Raise employment from 15 FTE employees to 28.5 FTE for launch</p>	<p>Adjusted target in line with delayed capital programme.</p> <p>Created roles above target with funding levered in.</p> <p>In June, firstsite staff underwent Personal Development Reviews to identify skills development needs. This is an effective appraisal system and objectives reviewed monthly.</p> <p>Although firstsite will grow its headcount, firstsite will also create further jobs due to catering franchise creating additional jobs and with other contractors such as maintenance & cleaning this will grow further.</p>
<p>Employ a minimum of 3 freelancers</p>	<p>Firstsite currently employs 3 freelance staff</p>
<p>Provide employment opportunities for new graduates</p>	<p>1 graduate placement offered (Programmes Intern) with a devised training programme. firstsite are also looking to develop the future jobs fund and work with work experience placements creating direct routes to apprenticeships</p>
<p>Deliver 45 Business Support sessions</p>	<p>Slack Space Cuckoo Farm Studios Summer of Art Colchester and Tendring open Studios</p> <p>Using ECC funding firstsite are undertaking research and consultation to devise a programme of business support to meet identified</p>

	need.
Mentor and support self-organised artists' initiative to contributing to help keep the Town Centre buoyant throughout the economic downturn.	Slackspace 4,000 volunteer hours into setting it up. 5,000 visitors in 3 months. Support for another 6 months.
£430k spent on local supplies and services.	
Assist Council to carry out PRIME research into economic impact	The current gross impact £2,400,000 and 36 jobs. Net impact £1,200,000 and 18 jobs. [Part of a sector worth £22,800,000 gross (the collective worth) and £10,700,000 net and supporting 355 jobs gross and 142 jobs net.]
	Purchase of 15 Queen Street deliver on the Council's plans for the Cultural Quarter and shared development prospectus between Arts Council, EEDA and Haven Gateway to develop a creative economy hub in Colchester.
	Hoardings

Strategic Arts Funding Programme 2009/10
Mid-year performance review
Mercury Theatre

Introduction

- 1.1 The Council delivers its Cultural Services through partnership delivery arrangements with Colchester Arts Centre, firstsite Ltd and the Mercury Theatre.
- 1.2 In community development and place shaping terms, Colchester has a strong arts and cultural scene that is considered to be one of the town's strengths and a key factor in making Colchester a place where people want to live, work and visit.
- 1.3 The Council funds these organisations because there is clear evidence that the organisations provide services to meet the Council's strategic priorities. Performance targets for 2009/10 have been set out in the Funding Agreement between the Mercury Theatre and Colchester Borough Council in line with the Strategic Plan.
- 1.4 This mid-year report seeks to give the Portfolio Holder a view as to performance against these agreed targets.

2. Eligibility and Criteria for Acceptance

The Mercury has provided the following information to meet criteria for eligibility for funding:

Audited Accounts for 2007/8 which have been reviewed by the Council's Financial Services. 2008/9 have been completed and agreed by Auditors and Board of Directors and will be available shortly. Draft of 2008/9 Statutory Financial Statements have been given to CBC. Monthly Management Accounts are produced and given to CBC.

Risk: Impact of recession: Box Office sales (all inc. hires etc.) 6% down on last year (£654K). Sales for the current season are 7.4% down on the corresponding season last year. This is being managed by the Board and Executive.

Funding

Budgeted Core SLA funding for 2009/10 is ACE £812.4K, ECC £72K and CBC £298K. ACE and ECC incorporated an uplift for inflation, CBC did not.

Rehearsal facility: At the Board Meeting on the 20th October the Board appointed a small group consisting of 2 Directors and the theatre's Executive Director to review the previous decision to negotiate to takeover the lease of the MoD gym as its rehearsal room facilities 'due to the current uncertainty over the economic and funding situation'. This review will be completed by mid December.

At the half year review, the Mercury has taken the following key actions to continue to ensure that their policies and practices relating to equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults remain current and effective:

The theatre has published (30/3/08) and is implementing a Diversity and Access Action Plan. Actions taken include cross company training session, considering and programming an element of diversity output in each season. Executive Director working with Essex Cultural Diversity Project, TACMEP and Black History Month and is member of project organising committees. Had stalls at TACMEP and CBC Welfare Market events.

Recruitment – After an anonymous short listing procedure, the application pool is checked again to make sure that no diverse opportunities for employment have been missed.

he Mercury is currently interviewing for a 13 week creative apprentice from the Chinese community.

he Board has an Access Subcommittee consisting of 2 Directors, Executive Director, the Theatre Access Officer and relevant staff that reviews Access issues with meetings held every six weeks.

Diversity and equality aspects are included in the Executive Directors report to the each Board meeting.

Board have proactively recruited 2 new Trustees; one from the BME community and another is a person with a disability.

he Mercury has a Child Protection Policy, strict chaperone procedures and utilises CRB checks for all relevant staff and practioners.

he Board has a Health & Safety Subcommittee consisting of 3 Directors, Senior Management and relevant staff who review a set agenda every 6 weeks.

Evidence provided of the Mercury Theatre’s delivery on the service targets set out against the Council’s Strategic Plan follows:

Performance overview	
Annual Target to put on 350 performances with 100,000 people attending.	To 11/10/09 – 146 performances and 34,000 people. Includes dark period.
At least 70% local audience and 15% audience	To 11/10/09 – 469 sessions and 11,278 participants.

supporting tourism economy.	Includes dark period.
Annual Target 900 community and education sessions with 19,000 participants.	Funding Agreement harmonised BRM held between funders and Mercury. This arrangement is upheld a Best Practise in the region and something for the partners to strive to continue.
Continue SLA partnership between CBC, ACE, ECC and the Mercury to ensure ongoing revenue funding for core stage and community work is maintained	Capacity utilisation 69% (compared to 76% last year) Panto should bring ratio up. This remains reasonable and is positive in light of the recession. Depot was a sell out.

Community development

£300,000 to be invested into work in the community	<p>The artistic and community programme offered by the Mercury give community members the chance to have a wide range of creative experiences. There is vast research to show that creative experiences and participation leads to social well being and improved mental health.</p> <p>Depot and GiFT were major initiatives to raise community participation levels. Mercury held development weekends. See numbers above.</p> <p>Thanks to a small grant from ACE the Mercury has contributed to the Learning Revolution Festival being run across the country in October 2009. This scheme for adults has allowed the theatre to offer free places for community activities including workshop master classes in the month.</p>																			
Annual Target - 900 community and education sessions with 19,000 participants	<table border="1"> <thead> <tr> <th></th> <th colspan="2">April to Oct 09</th> </tr> <tr> <th></th> <th>Sessions</th> <th>No Attending</th> </tr> </thead> <tbody> <tr> <td>Weekly Activities</td> <td>219</td> <td>4849</td> </tr> <tr> <td>Workshops</td> <td>50</td> <td>754</td> </tr> <tr> <td>Schools & YOT Residencies</td> <td>73</td> <td>1906</td> </tr> <tr> <td>Community Productions</td> <td>80</td> <td>2883</td> </tr> </tbody> </table>			April to Oct 09			Sessions	No Attending	Weekly Activities	219	4849	Workshops	50	754	Schools & YOT Residencies	73	1906	Community Productions	80	2883
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	Summer School	18	296
	Sure Start	18	360
	Essex University Summer School	6	192
	Artists of the Future	18	324
	Talk Backs	3	195
	Tours	7	291
	World Aids day	39	654
	Services	1	400
	Civic Night	0	0
	Other	35	571
	Totals	567	13675
Maintain rate of 30% tickets sold on a concessionary basis.	To date, 35% tickets concessionary		
Maintain rate of 12% of tickets sold to people over 60	To date, 12.8% for older people		
Maintain rate of 7% of tickets sold to disabled people and carers	On target		
Increase level of concessionary tickets given for social inclusion from 2,000 to 2,100	1,229 tickets given so far this year.		
Appoint, induct and train a person with a disability and a person from BME background onto Board of Directors and allocate appropriate roles	Board have appointed a Trustee from the BME community. Board have appointed a person with a disability from the community. Both new Trustees have been appointed to Board Subcommittees.		

<p>onto management committees</p> <p>Explore mechanisms to encourage more job applications from BME communities and people with a disability</p> <p>Developing community and rehearsal facilities at Garrison Gym to provide improved conditions for making work and community activities.</p> <p>Increasing DDA audience through the See a Voice Project. Target to increase Caption/AD/BSL concessionary tickets sold by 100</p> <p>Continue to review and implement the theatre's diversity and equality action plan including training and learning sessions for all employees and trustees. Provide evidence of building relationships with BME groups including Essex Cultural Diversity Project, TAPMEC and Black History Month.</p>	<p>Recruitment – After an anonymous short listing procedure, the application pool is checked again to make sure that no diverse opportunities for employment have been missed</p> <p>The Mercury is currently interviewing for a 13 week creative apprentice from the Chinese community.</p> <p>See commentary under risk, above</p> <p>Caption and audio described facilities are available for one show in each Mercury main house production. 65 tickets sold to Lonesome West and Wagstaff. In addition some 400 tickets have been sold under Infra Red and Hard of Hearing concessions.</p> <p>Proactive programming to encourage diverse audiences including Prakruti Dance, CanDoCo Dance, Black History Month programme, and master classes and workshops in various cultural art forms. Executive Director providing expertise and project committee member of ECDP, TACMEP and Black History Month. A BME open day will be held in this financial year. Training session held for all staff and trustees. See above.</p> <p>650 tickets to date given to people under 26 as part of Night Less Ordinary. Annual target for the 2 year project is 1177.</p> <p>Using stalls at TACMEP and CBC Welfare Market events to engage wider audiences.</p>
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<p>Provide evidence of review and increasing audience engagement through NI 11, Free Theatre Tickets and segmentation initiatives.</p>	<p>Working with Essex Cultural Diversity Project, TACMEP and BHM to engage wider audiences</p> <p>Participating in ECC NI11 steering committee.</p> <p>Tours of theatre given to community with 257 participants this year to date.</p>
<p>Younger people and older people</p>	
<p>Maintain rate of 12% of all tickets sold as concessions to younger people</p>	<p>Currently 9.3% against target. Panto is forecast to bring the actual up to target.</p> <p>To 11/10/09 – 469 sessions and 11278 participants. Includes dark period.</p>
<p>Deliver 900 community and education sessions with 19,000 participants</p>	<p>14,000 currently sold or reserved.</p> <p>Young people sessions cover:- Parent & Toddler Play & Sway 3-5 Drama Infant Drama Junior Drama Youth Theatre – Tuesday Youth Theatre Wednesday Wivenhoe Youth Theatre Working in Greenstead with Surestart. Fresh Festival in August had 1100 young people attend.</p>
<p>Strive to maintain high sales (25,000 tickets) of tickets for family pantomime</p>	<p>See table above.</p> <p>Two summer schools, seven school residencies and other projects in the summer gave 112 sessions for school based individuals.</p>
<p>Maintain level (145 people) of young people enrolled in youth drama classes 650 community sessions delivered for young people 340 education sessions.</p>	<p>See table above.</p> <p>Two summer schools, seven school residencies and other projects in the summer gave 112 sessions for school based individuals.</p>
<p>Weekly over 50's sessions</p>	<p>Act V theatre workshops for people over 50 years. Further, the Adult Theatre workshop has engaged a group of 52 older people more seriously interested in acting. Work by residents of Balcerne Gardens exhibited in Digby Gallery.</p>

<p>160 young offenders sessions to be facilitated in 2009/10</p> <p>Maintain level (190 students) of participation in World Aids Day</p> <p>Target to facilitate 100 plus school-based sessions</p>	<p>12.8% of all tickets sold to date this year are concessions to over 60's.</p> <p>The Due to a lack of participants this year through referrals from the Court Service, the devised show that the Mercury traditionally stage in the studio didn't happen. Instead, Mercury actors took a series of workshops to different, established, youth offending groups around Essex. These were well received and the feedback from the youth service has been very positive. It is expected that the studio programme will resume next year.</p>
<p>Jobs creation, sector skills development, and contribution to the local economy</p>	
<p>Report data on FTE jobs and spend on salaries at year end</p> <p>Target to provide roles for 20 volunteers</p> <p>Target to deliver 8 work experience placements, plus 1 creative skills 13 week apprenticeship. Investigate apprentice scheme opportunities and introduce 1 technical apprentice in 2009/10</p> <p>Provide evidence to show contribute to</p>	<p>2009/10 data to be completed after year end.</p> <p>Target exceeded. 20 volunteers involved in regular theatre work. A total of 56 volunteers were a part of Depot with an average of 47 being a part of each show.</p> <p>Two short term creative apprentices have been appointed, with 1 further to be appointed. 1 technical apprentice will start in Jan 2010 for a 1 year course.</p> <p>Mercury is a lead partner for the National Skills Academy for Creative & Cultural Skill.</p> <p>T2G courses started for Customer Care, Line Management, Business Admin and Accounting. 8 staff enrolled. A further 5 staff are awaiting commencement of an IT course.</p> <p>Support given to generate a strong local and regional creative sector, including Tilted Productions, Menagerie, Trestle, Nabakov and Real Circumstance. Through these contacts we are able to deliver master class sessions in acting, writing, improvisation, characterisation, movement and programming work by talented artists.</p>

<p>National Skills Academy and Train to Gain initiatives</p> <p>Provide evidence to show support for young, new and emerging regional talent and companies through the Escalator East cultural sector development scheme</p> <p>Report spends on supplies and services in local economy at year end.</p> <p>Assist the Council to complete PRIME economic impact research</p>	<p>2009/10 data to be completed after year end.</p> <p>PRIME complete.</p> <p>Impact of recession: Box office sales (all inc hires etc.) 6% down on last year (£654K). Panto sales & reserves 8% down. Sales of current season compared to same season last year 7.4% down. The situation is being managed by the Board and Executive.</p>
<p>Reduce, reuse, recycle</p>	
<p>Publish carbon reduction action plan 31 March 09. Target to reduce carbon footprint by 20% in three years – provide evidence of movement against this target in bi-annual review sessions</p> <p>Working with CBC to test feasibility of a green/er roof and to explore the potential to raise capital funds to</p>	<p>Published and implementation underway. A staff newsletter on carbon issues will be launched. Replacement programme of lamps with low energy underway. Switch off campaign resulted in 5% reduction in electricity usage in 1st quarter.</p> <p>NPS drawing up scheme for presentation to Mercury in November.</p>

realise this ambition

Strategic Arts Funding Programme 2009/10

Funding Agreement ["Agreement"]

between Colchester Borough Council

and Colchester Arts Centre.

1.0 Introduction

- 1.1 Colchester has a strong cultural scene that is one of the town's unique selling points. The town's cultural vibrancy is the legacy of a strategic local funding and inward investment strategy as well as a partnership delivery model that is regarded as best-practice in the region.
- 1.2 Colchester Borough Council funds strategic arts organisation within the borough because of clear evidence that the organisations provide a service to Colchester's residents and meet the Council's strategic priorities. The Council's funding model aims to return greater investment to the local economy, support jobs and develop the cultural and creative industries, and provide activities and attractions for local people and visitors alike.
- 1.3 Colchester Arts Centre is one of these strategically funded organisations. As a smaller-scale organisation, the Arts Centre is more responsive to local groups, trends, innovation and supporting the development of creative skills. Its audience tends to be younger people, although the mixed programme also serves children and families and older people and links to community activity such as farmers markets and book swaps.
- 1.4 By setting the terms of the Agreement between the Council and the Arts Centre, this document helps to ensure that the Council's investment of public funds meets identified needs. The document defines the monitoring process and targets for performance that will develop more efficient and sustainable service delivery by working in partnership.

2.0 Scope and Financial Arrangements

- 2.1 Between 1 April 2009 and 31 March 2010, the Council's funding of Colchester Arts Centre will be £81,000. This funding was agreed by the Cabinet and full Council in line with the budget strategy to support the core operations of the organisation as set out in the business and operations plan and to meet the targets for performance set out in section 9 of this Agreement.
- 2.2 Upon signature of this Agreement, the Council shall release the funding in two instalments in the second and third financial quarters.

- 2.3 Any financial investment that the Council needs to make under is obligations as the primary lease holder of St Mary's Church is deemed to be outside of this agreement. However, any tenant responsibilities that Colchester Arts Centre holds are considered to be within this agreement.
- 2.4 On accepting and signing this Agreement, Colchester Arts Centre recognises that it is in receipt of public funding and accepts responsibility for meeting the agreed performance targets and collecting qualitative and quantitative performance data to provide evidence of the service standards.
- 2.5 Where appropriate, Colchester Borough Council will provide non-financial support to the Arts Centre where it seeks to develop additional services that contribute towards meeting the Council's strategic priorities. If these additional services are developed to a point that requires additional funding, the Council may issue a separate funding agreement. If this circumstance arises, the services will be deemed to fall outside of this agreement.

3.0 Eligibility and Criteria for Acceptance

- 3.1 In order to be eligible for funding the organisation must supply evidence to demonstrate that it is:
- a. Properly constituted
 - b. Financially viable
 - c. Able to manage its work effectively, monitor and manage risk, and seek necessary professional financial, legal and insurance advice
 - d. Operating with effective policies and procedures in equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults.
 - e. Delivering on the strategic priorities as set out in the Council's Strategic Plan.

4.0 Performance monitoring framework

- 4.1 Before commencement of this Agreement, the Arts Centre must submit a business and operations plan, a budget to cover the same period and a copy of the audited accounts from the previous year.
- 4.2 As a minimum throughout the term of the agreement, the Arts Centre must submit quarterly budget reports and invite a Council representative to observe two Board meetings. The organisation will also participate in two bi-annual review meetings, as outlined below.
- 4.3 At the end of the agreement period, the organisation must provide audited accounts and submit performance data to evidence the organisation's turnover, audience and participation levels as well as contribution to the Council's strategic priorities.

5.0 Bi-annual review process

- 5.1 A review meeting will take place between Colchester Borough Council and Colchester Arts Centre twice in the period of the agreement. The meetings shall be attended by the relevant Portfolio Holder and Officer of the Council and the Chair and Director of Colchester Arts Centre.
- 5.2 One of the review meetings shall also be attended by relevant officers from Arts Council England to ensure that dialogue takes place between the partners at a strategic level and that any factors affecting performance are discussed openly and effectively.
- 5.3 The Portfolio Holder may have to sit before a Scrutiny Panel to monitor performance against their delegated responsibilities. As such, the bi-annual review process should be seen as an opportunity to ensure that the Portfolio Holder can evidence performance within their area of responsibility.

6.0 Acknowledgement of funding

- 6.1 Colchester Arts Centre will acknowledge its financial assistance from Colchester Borough Council in all marketing and communication materials in print, electronic, broadcast and other formats.
- 6.2 The organisation is asked to specify any particular steps it plans to take over the period of this agreement to promote the support it receives from the Council in section 9.

7.0 General conditions

- 7.1 The funding provided under this agreement may not be assigned to any other person, association or company other than in the course of delivering the business plan and agreed performance targets.
- 7.2 This agreement does not constitute Colchester Arts Centre as an agent of the Council or otherwise make the Council liable to any person who may take proceedings against the Arts Centre.
- 7.3 Colchester Borough Council cannot participate in the direction of the organisations' affairs. However, the Council should be consulted where any change or development might effect this Agreement.
- 7.4 Funds will be repayable in full to the Council in the event of any of the following:
 - i. Misuse of payment received from the Council by Colchester Arts Centre
 - ii. A breach of the law by Colchester Arts Centre
 - iii. Petitioning the court for the appointment of an administrator

- iv. Having a receiver appointed over all or any part of the Arts Centre' assets
- v. Being the subject of a petition or resolution for the Arts Centre's 'winding up'

8.0 Breach in agreement

- 8.1 In the event of either the Council or the Arts Centre notifying the other in writing of a breach in this agreement, the parties shall meet to discuss the alleged breach within 21 days.
- 8.2 Both the Council and the Arts Centre agree that they have an equal responsibility to reach a practical and reasonable solution to the breach, but if after 12 weeks a solution has not been agreed then the parties mutually agree to arbitration.

9.0 Specification of performance targets

- 9.1 The specification of performance targets is developed collaboratively with your organisation. The information you provide here substantiates the Council's decision to invest public funds in the Strategic Arts Funding Programme – a partnership delivery model.
- 9.2 The information is set out in line with the Strategic Plan to help to convey to Members, professional colleagues and partners how the Council's financial support is an effective and efficient way to deliver services to meet local identified needs.

What are your key targets for performance, and how do these meet the Council's Strategic Plan?

Overall Performance	<p>Delivery close to 300 events</p> <p>Target to achieve 40,000 audience and participants</p> <p>Maintain at least 60% local audience</p> <p>Maintain at least 20% visitor audience, contributing to tourism economy</p>
Return on investment	<p>Target to achieve 900% rate of return on CBC investment</p>
Community outreach and development	<p>Target to sell 5,000 concessionary tickets</p> <p>Target to reach 6,000 people through community outreach projects</p> <p>Target to deliver 15 community events within the venue to diversify the use and access (e.g. farmers markets, book swaps, beer festivals)</p> <p>Target to reach 10% disabled audience</p> <p>Target to increase members on affordable scheme to 90</p> <p>Target to deliver 3 projects in super output areas</p> <p>Board to review equality and diversity policies within context of new business plan deliverable within 09</p> <p>Board to review equal opportunities policy within the context of new business plan deliverable within 09</p>
Younger and Older People Supported	<p>Deliver 60 gigs and 40 events targeted at young people</p> <p>Target 18,000 young people to attend events</p> <p>2 young people mentored</p> <p>Contribute to 90 young people trained through Escalator East</p> <p>Maintain 17% of audience under 24</p> <p>Maintain 45% are under 35</p> <p>Monitor use of communications channels (e.g. internet, sms, myspace, and facebook)</p> <p>Target to reach 1,000 students through education activity</p> <p>70 folk and jazz events targeted at an older audience</p> <p>Target to reach 7,000 older people</p>
Enabling job creation and Contribution to local economy	<p>5 FTE, 2 part time staff</p> <p>25 casual and freelance employees including technicians, security and bar staff</p> <p>Around £200,000 spent on salaries (FTE, casual and freelance)</p> <p>Around £132,000 on artists and creative workers (35% local workforce)</p> <p>Around £175,000 spent on local supplies and services</p> <p>Target to fill 10 volunteer and work experience placements and 10 casual and freelance placements to people seeking skills in cultural and creative industries</p> <p>At least 20% of audience comes from outside Colchester, contributing more to the local economy</p> <p>Spend about 50% of turnover in local economy</p> <p>Assist Council in PRIME research into economic impact to establish performance targets</p>

Reduce, reuse, recycle	Partnership with ENform to adopt a green policy and action plan to reduce environmental impact of the organisations operations. Board to adopt policy by March 2010.
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What are your particular plans to promote the support and investment that the Council provides during the period of the agreement?

Acknowledgment of the Council’s support in 80,000 copies of the brochure – circulated in batches of 20,000 on a quarterly basis to local and regional public outlets. Also mailed direct to targeted opinion forming outlets including ACE, EEDA and public bodies

Updated website to go live Autumn 09 with full CBC accreditation and link.

Review of internal signage underway to establish the costs. The plan is to revamp the signage and include appropriate acknowledgment of funders support.

Colchester Arts Centre has been operating for 25 years this year and therefore the organisation is planning a series of 25th birthday celebrations that will promote the achievements of working in partnership with the Council, these include:

Outreach: production of community development projects with selected and targeted wards as a proactive response to the Council’s strategic priorities.

Commissioned print project to celebrate the multi-faceted nature of Colchester Arts Centre’s contribution to Colchester - 25 images; 25 years; and looking forward 25 years into the future.

Outline statement of any other local or regional strategies and priorities that your organisation meets.

Colchester Arts Centre is a Regularly Funded Organisation (RFO) of the Arts Council. This status is afforded to a limited number of arts organisations across the region and carries with it a plethora of key objectives, targets, reporting responsibilities and other requirements which are agreed between the partners.

The overall mission statement for ACE is “great art for everyone” which guides and informs all the strands of the partnership. Key aspects of an RFOs work must centre on diversity, inclusion, audience development.

Further to this, the Arts Centre has built over a decade a specific remit for the development of talent and skills within the performing arts. The arts centre has also been tasked with creating a regional strategy for Live Art as part of its partnership work with the Arts Council.

10.0 Acceptance

10.1 Upon signing this agreement, the organisation agrees to the terms and conditions of funding and use reasonable endeavours to meet the performance targets and monitoring framework that have been outlined above.

Signed (Director)

Name (please print)

On behalf of Colchester Arts
Centre

Date

Signed (Chair of the Board)

Name (please print)

On behalf of Colchester Arts
Centre

Date

Signed (Portfolio Holder)

Name (please print)

On behalf of Colchester Borough
Council

Date

Signed (Officer)

Name (please print)

On behalf of Colchester Borough
Council

Date

March 2009

Strategic Arts Funding Programme 2009/10

Funding Agreement ["Agreement"]

between Colchester Borough Council

and firstsite Ltd

1.0 Introduction

- 1.1 Colchester has a strong cultural scene that is one of the town's unique selling points. The town's cultural vibrancy is the legacy of a strategic local funding and inward investment strategy as well as a partnership delivery model that is highly regarded in the region.
- 1.2 Colchester Borough Council funds strategic arts organisations within the borough because of clear evidence that the organisations provide a service to Colchester's residents and meet the Council's strategic priorities. The Council's funding model aims to return greater investment to the local economy, support jobs and develop the cultural and creative industries, and provide activities and attractions for local people and visitors alike.
- 1.3 firstsite Ltd. is one of these strategically funded organisations. The organisation is currently in an interim period prior to occupying and opening the Visual Arts Facility. In the period of this agreement, the organisation will continue to specify and procure its commercial offer, suppliers and equipment, secure additional revenue, present activity in the community, develop a new website and digital products, and continue to deliver learning programmes to meet educational and adult-skills agendas.
- 1.4 By setting the terms of the Agreement between the Council and firstsite, this document helps to ensure that the Council's investment of public funds meets identified needs. The document defines the monitoring process and targets for performance that will develop more efficient and sustainable service delivery by working in partnership.

2.0 Scope and Financial Arrangements

- 2.1 The Council's investment in firstsite Ltd will be £200,000 to cover the period 1 April 2009 to 31 March 2010. The investment was agreed by the Cabinet and full Council in line with the budget strategy to support the core operations of the organisation and capacity development requirements as set out in the business and operations plan and to meet the targets for performance set out in section 9 of this Agreement.
- 2.1 Upon signature of this Agreement, the Council shall release the funding in two instalments in the second and fourth financial quarters.

- 2.2 On accepting and signing this Agreement, firstsite Ltd. recognises that it is in receipt of public funding and accepts responsibility for meeting the targets for performance and collecting qualitative and quantitative performance data to provide evidence of the service standards.
- 2.3 Where appropriate, Colchester Borough Council will provide non-financial support to the organisation where it seeks to develop additional services that contribute towards meeting the Council's strategic priorities. If these additional services are developed to a point that requires additional funding, the Council may issue a separate funding agreement. If this circumstance arises, the services will be deemed to fall outside of this agreement.

3.0 Eligibility and Criteria for Acceptance

- 3.1 In order to be eligible for funding firstsite Ltd. must supply evidence to demonstrate that it is:
- a. Properly constituted
 - b. Financially viable
 - c. Able to manage its work effectively, monitor and manage risk, and seek necessary professional financial, legal and insurance advice
 - d. Operating with effective policies and procedures in equal opportunities, health and safety, equality and diversity, access, and protection of children, young people and vulnerable adults.
 - e. Delivering on the strategic priorities as set out in the Council's Strategic Plan.

4.0 Performance monitoring framework

- 4.1 Before commencement of this Agreement, firstsite Ltd. must submit a business and operations plan, a budget to cover the same period, and a copy of the audited accounts from the previous year.
- 4.2 Throughout the term of the Agreement, at a minimum, the organisation must submit quarterly budget reports and invite a Council representative to observe two Board meetings. The organisation will also participate in two bi-annual review meetings, as outlined below.
- 4.3 Given the process of organisational change and growth, as well as the conditions set by operating without a venue, firstsite Ltd. is also engaged in monthly Project Team meetings with members of each of the funding partners. This is acknowledged as the opportunity to share more detailed information outside of the usual monitoring framework.
- 4.3 At the end of the Agreement period, firstsite Ltd. must provide audited accounts and submit performance data to evidence the organisations turnover, audience and participation levels as well as contribution to community, jobs and skills development.

5.0 Bi-annual review process

- 5.1 A review meeting will take place between Colchester Borough Council and firstsite Ltd twice in the period of the agreement. The meetings shall be attended by the relevant Portfolio Holder and Officer of the Council and the Chair and Executive Director of firstsite.
- 5.2 One of the review meetings shall also be attended by relevant officers from Arts Council England and Essex County Council to ensure that dialogue takes place between the partners at a strategic level and that any factors affecting performance are discussed openly and effectively.
- 5.3 The Council's Portfolio Holder may have to sit before a Scrutiny Panel to monitor performance against their delegated responsibilities as an elected Member. As such, the bi-annual review process should be seen as an opportunity to ensure that the Portfolio Holder can evidence performance within their area.

6.0 Acknowledgement of funding

- 6.1 Firstsite Ltd. will acknowledge its financial assistance from Colchester Borough Council in all marketing and communication materials in print, electronic format, broadcasts and other.
- 6.2 The organisation is asked to specify any particular steps it plans to take over the period of this agreement to promote the support it receives from Colchester Borough Council in Section 8 below.

7.0 General conditions

- 7.1 The investment provided under this agreement may not be assigned to any other person, association or company other than in the course of delivering the business plan and agreed service specification.
- 7.2 This agreement does not constitute the organisation as an agent of the Council or otherwise make the Council liable to any person who may take proceedings against the organisation.
- 7.3 Colchester Borough Council cannot participate in the direction of the organisations' affairs. However, the Council should be consulted where any change or development might effects this agreement.
- 7.4 Funds will be repayable in full to the Council in the event of any of the following:
 - i. Misuse of payments received from the Council by firstsite Ltd.
 - ii. A breach of the law by the firstsite Ltd
 - iii. Petitioning the Court for the appointment of an administrator
 - iv. Having a receiver appointed over all or any part of firstsite Ltd's assets
 - v. Being the subject of a petition or resolution for firstsite's 'winding up'

8.0 Breach in agreement

- 8.1 In the event of either firstsite Ltd or Colchester Borough Council notifying the other in writing of a breach in this agreement, the parties shall meet to discuss the alleged breach within 21 days.
- 8.2 Both firstsite Ltd. and the Council agree that they have an equal responsibility to reach a practical and reasonable solution to the breach, but if after 12 weeks a solution has not been agreed then the parties mutually agree to arbitration.

9.0 Specification of performance targets

- 9.1 The specification of performance targets has been developed collaboratively with firstsite Ltd. The information provided here substantiates the Council's decision to invest public funds in a third party, partnership delivery model.
- 9.2 The information is set out in line with the Strategic Plan to help to convey to Members, professional colleagues and delivery partners how the Council's financial support is an effective and efficient way to deliver services to meet local identified needs.

What are your targets for performance, and how do these meet the Council's strategic plan?

Performance overview	<p>Note: In the period of this agreement, the organisation's operations are focused on building operational capacity to sustain the new facility. The key performance targets are therefore:</p> <ul style="list-style-type: none">• Secure in total £258k toward the capital contribution of the VAF and a minimum of £542k for the procurement of furniture, fixtures & fittings.• Specify and procure the necessary equipment and systems• Keep trusts & foundations fully briefed on the delays to the capital build with the support from the funding partners to mitigate risk associated with pledged revenue grants (2009-12)• Develop commercial systems i.e. Catering, Retail, Conferencing, pre-sale hires and events in order to achieve 45% earned income.• Restructure learning and programmes to meet increasing demand ready for the new building.• Diversify audience base and maintain programme profile locally, nationally & internationally.
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Return on investment	Achieve a minimum rate of return on investment to be 400% in a year with no operating income through sourcing other core revenue grants
Community Outreach and Development	<p>The Outreach strategy focuses upon new locations and those of lower provision.</p> <p>50 sessions of <i>Art Stop: Bus Stop</i> reaching 6,500 children and family participants</p> <p>Working in partnership with 7 Ormiston centres (super output areas) delivering workshops and drop in activities and employing local artists i.e. <i>Bumps and Babes</i> – in partnership with National Childbirth Trust, scheme to roll out firstsite ‘franchise’ for specialist drop in workshop aimed at new babies and expectant mothers.</p> <p>Working with Cycle Colchester to provide art activity and viewfinder trail to enhance cycling town status to target minimum of 500 participants</p> <p>Public art – promote heritage and art trails for residents and visitors to ensure recognition of Colchester’s recent history i.e. promotion through Summer of Art plus new trail for heritage open day.</p> <p>Public works – <i>Colchester Inn</i> ongoing project working with the Chinese community and older people to engage 50 participants and influence use by these groups of the new building.</p> <p>The Street – community play/artist projects in residential areas for the summer – a project to reclaim residential streets as safe places for outdoor activity. Minimum of 2 projects</p> <p>BME programme developed in partnership with Essex diversity forum includes activities for Black History Month and specialist training programme for local artists</p> <p>Develop projects to ensure project funding for community activity.</p>
Younger and Older People Supported	<p>Delivery of schools programme pre-launch working with Teachers’ Advisory Group targeting schools of low cultural provision/deprivation. Working with a minimum of 7 schools in Colchester</p> <p>Long term partnerships with further and Higher Education sector in particular - Colchester Institute and University of Essex delivering and developing undergraduate and graduate programmes and relevant activities. E.g. develop the MA contemporary art professional practice with an uptake of 18 participants across 18 varied schools.</p> <p>Development of youth consultation and advisory panel into new building i.e. engage with a minimum of 12 young people to interpret the movement of the mosaic</p>

	<p>20 volunteer and work placement roles for younger people a combination of on-site training and mentoring through education partnerships.</p> <p>Delivery of talks and debate programmes – minimum of 8 total of 510 attendees</p> <p>Craft project with retired communities – examining the impact and uses of new technologies on traditional craft practices this will include the establishment of older people peer group to advise on new areas e.g. digital offer, design and furniture choices for F,F & E for new building</p>
<p>Enabling Job Creation and Contribution to the Local Economy</p>	<p>Raise employment from 15 FTE employees to 28.5 FTE for launch</p> <p>Employ a minimum of 3 freelancers for a fixed period to support the transition</p> <p>Provide employment opportunities for new graduates i.e. entry level opportunities with professional support. Minimum of 2 per year.</p> <p>Deliver minimum of 45 Business Support sessions for local Artists including mentoring for Cuckoo Farm Studios.</p> <p>Promotion and management of ‘Essex Summer of Art’ initiative including resourcing and audience development for <i>Colchester Open Studios</i> (previously funded directly by CBC) i.e. 13 trails and a minimum of 40 Colchester based artist studios.</p> <p>Mentor and support self-organised artists’ initiatives, such as Slack Space to help bring activity into a minimum of 3 empty shops in Colchester’s town centre. Also contributing to the local economy by helping to keep the town centre atmosphere buoyant throughout the economic downturn</p> <p>£430k spent on local supplies and services.</p> <p>Assist Council to carry out PRIME research into economic impact</p>
<p>Reduce, reuse, recycle</p>	<p>Where possible firstsite will Procure locally and work with our suppliers to ensure they recognise and reduce the environmental impact of their products and transportation. We will continue to source products from ethical and renewable sources, eg Fair Trade, recycled paper, etc.</p> <p>Minimise waste and wherever possible recycle materials both through education programmes and craft initiatives.</p> <p>All waste generated will be disposed using safe and responsible methods.</p> <p>We will seek to address our impact on the environment through the adoption of a sustainable procurement policy.</p> <p>Through events Firstsite will ensure it works with relevant</p>

	<p>organisations to increase public awareness of sustainability issues. i.e cycle Colchester. See community outreach section.</p> <p>firstsite will continually measure and aim to reduce its carbon footprint</p>
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Please state any particular plans you have to promote the support and investment that the Council provides.

Firstsite currently promotes its partnership support with Colchester Borough Council using the following methods:

Inclusion within all applications to major trusts and foundations and other key stakeholders

Inclusion of Colchester Borough Logo on all local, national and international print and press material.

Continue to acknowledge the councils support on all digital material, this will include new website. To be launched Autumn 2009. In addition a direct link from firstsite to CBC.

CBC cultural quarter regeneration scheme: Delivering artists' projects, residencies and activities to demonstrate regeneration and develop the St. Botolph's area. This includes positioning the activity to secure matched funding and employing local artists to engage and participate in the current activity and future vision for the area.

Support the Council in the development of a public art project to raise visibility around the VAF site to increase residents' sense of ownership in the project.

Please provide an outline statement of any other local or regional strategies and priorities that your organisation meets that shape your operational and service delivery.

firstsite is the leading visual arts organisation for the east of England and as such achieves a portfolio of funding and is key to the delivery of regional and national arts strategies

Firstsite has developed a fit for purpose approach to ensure its resources are employed to maximum effect. It consistently works in partnership nationally and locally to ensure its core revenue is matched. For example it has secured a new national partnership (one of only five in the country) giving it special access to Tate resources and expertise; it works across heritage and contemporary cultural organisations at local level working equally with the Museums Service and the Mercury Theatre.

firstsite works with contemporary culture and as such responds to changes in leisure patterns, economic downturn, audience feedback. It uses a number of internal and external frameworks to monitor and evaluate its outputs on a monthly basis.

Firstsite are currently developing & maintaining audiences, marketing systems, and analysis as part of its mobilisation plan in response to new developments in local government targets (NI11: increased participation in the arts) and new audience segmentation categorisation (Arts Council: Arts Audiences: insight). Firstsite were successful in the application of a grants for the arts award to support with this initiative.

10.0 Acceptance

10.1 Upon signing this agreement, the organisation agrees to the terms and conditions of funding and the performance monitoring framework that have been outlined above.

Signed (Director)

Name (please print)

On behalf of firstsite Ltd

Date

Signed (Chair)

Name (please print)

On behalf of firstsite Ltd

Date

Signed (Portfolio Holder)

Name (please print)

Member on behalf of Colchester
Borough Council

Date

Signed

Name (please print)

Officer on behalf of Colchester
Borough Council

Date

March 2009





Supported by
**ARTS COUNCIL
ENGLAND**



Partnership Investment Programme

Service Level Agreement

for the financial years

2008 – 2009

2009 – 2010

2010 - 2011

between

**COLCHESTER BOROUGH COUNCIL
ARTS COUNCIL ENGLAND
ESSEX COUNTY COUNCIL**

and

THE MERCURY THEATRE

About this document

This is a Service Level Agreement between:

- ◇ Colchester Borough Council
- ◇ Arts Council England
- ◇ Essex County Council Arts Development
and
- ◇ The Mercury Theatre

This Service Level Agreement sets out the relationship between all four organisations.

The document has five sections:

1. Introduction

- Operational/Policy context for the funding partners
- Your key contact/s from each organisation

2. Eligibility

3. Criteria for Acceptance onto Partnership Investment Programme

- Strategic criteria
- Performance criteria

4. The Service Level Agreement

- Level of funding 2008/09, with planning figures for 2009/10 and 2010/11
- Monitoring and Assessment

5. Accompanying information

- Terms and Conditions of Funding
- Schedule of payments
- Service Level Agreement Acceptance Form

The scope of this Service Level Agreement

This Service Level Agreement is for a Three Year Period, from 2008-2009 to 2010-2011.

Colchester Borough Council, Arts Council England and Essex County Council Arts Development, the Partnership Investors, intend their support to continue for the full three years. However, as the investing partners funding from Central Government for Local Government is only confirmed year on year the continuance of this three year agreement will be confirmed following annual budget setting for CBC, ACE and ECC in the Spring of 2008 and 2009 and 2010 respectively.

The Agreement describes the specific purposes and activities for which The Mercury Theatre receives funding from the Partnership Investors. The three year commitment is intended to assist the organisation with its long-term planning.

Its contents have been drawn up following negotiations between the Partnership Investors and The Mercury Theatre. It is based on the objectives and targets of The Mercury Theatre's Business Plan in relation to the Partnership Investors' combined Aims and Objectives. It, therefore, identifies and records the common ground between the Partnership Investors and The Mercury Theatre. The agreement recognises that The Mercury Theatre is an independent body, operating in accordance with its own established company memorandum, policies, and plans.

It is important that The Mercury Theatre Board is aware of and understands the contents of this document. Variations to the Service Level Agreement can only be made by specific written agreement between representatives of The Mercury Theatre and the Partnership Investors.

1. Introduction

Operational/Policy context

The Partnership Investors require that relevant local, county, regional and national policies are referred to when The Mercury Theatre prepares and implements its Business Planning.

The Partnership Investors have harmonised their Aims and Objectives to embrace regional and national policies relating to education, access, partnership working and creating opportunities for investment in cultural activities to create a shared and transparent approach to the drawing up of this agreement. It is these harmonised Aims and Objectives that will act as the framework for the funding agreement.

Aim

Encourage and promote the arts as a tool to enhance the quality of life for residents and visitors, and in doing so raise the profile of the theatre, Colchester, Essex and the Region nationally and internationally.

Key Contacts

Your key contacts within each funding organisation are:

Colchester Borough Council:	Josie Worner, Cultural Services Manager
Arts Council England, East	Roger McCann, Theatre Officer
Essex County Council:	Valerie Tinker, Arts Development Manager

Partnership Objectives 2008-2011

As part of this agreement, the Mercury Theatre is to have regard to the objectives of partnership funders. These are as follows:

Colchester Borough Council

- Support the Council to achieve the three objectives of the Strategic Plan - Listen and Respond; Shift Resources to Deliver Priorities; Be Cleaner and Greener
- Support the Council to achieve the nine priorities of the strategic plan - Addressing young people's needs; Addressing older people's needs; Healthy Living; Community Safety; Affordable Housing; Community Development; Reduce, Re-use and Recycle; Congestion Busting; Enable Job Creation.
- Support the local strategic partnership to delivery the priorities of the Sustainable Community Strategy – Increasing employment, educational and skills levels; changing travel behaviour; making Colchester an outstanding destination by celebrating its heritage, culture and leisure activities; promoting healthy lifestyles; creating safer neighbourhoods and stronger, inclusive communities

- Support delivery of the Local Area Agreement, in particular delivery of NI 11

Arts Council England

The Arts Council Plan 2009-11 places increasing engagement in high quality arts at the heart of our mission – **To get great art to everyone by championing, developing and investing in artistic experiences that enrich people’s lives** – leading to excellence and engagement, reach, diversity and innovation. All of the organisations we fund contribute to this mission.

In addition, some organisations will contribute to one or more fixed-term priorities:

- building the digital capacity of the arts sector
- strengthening the visual arts
- building a cultural offer for children and young people
- contributing to the 2012 Cultural Olympiad

More information about the Arts Council Plan can be found on our website: www.artscouncil.org.uk/plan

Essex County Council

- Support the Council to achieve the objectives of the National Indicators for Local Government and the Essex Local Area Agreement priority 6 (NI 11) and support the EssexWorks Corporate Priorities.
- Foster excellence and innovation in arts activity
- Support and work with the Arts Development Team Cultural Diversity Project Manager to create projects which encourage audiences and participation from diverse communities
- Work in partnership with Essex County Council to develop strategic arts projects such as the 2012 legacy, Cultural Olympiad and the Explore Culture campaign.
- Facilitate management practice of the highest quality and efficiency

For full details of all partnership objectives for the Mercury Theatre as part of this agreement, please see the appendix.

2. Eligibility

The Mercury Theatre should

- be properly constituted
- be financially viable
- have demonstrated its ability to manage its work effectively

3. Criteria for Acceptance onto the Partnership Investment Programme

Meeting the objectives of the Partnership Investors requires careful, effective, efficient and clear strategic management of both the artistic and infrastructure activities. Resources are finite and, as such, it is important to set realistic targets of achievements.

Having clear direction and robust plans, a sense of priorities but being flexible to recognise and take advantage of appropriate opportunities as and when they arise will help contribute to the short to long term planning of the organisation.

The criteria and funding objectives set out in this section embrace the above statement with the purpose of setting the framework from which the Partnership Investors can pragmatically monitor their investment, in accordance with the needs of their respective organisations, whilst retaining the ethos and purpose of harmonising.

Strategic Criteria

The organisation should produce work that demonstrates it:

- is of significant benefit to the people of Colchester, Essex and the region, through agreed milestones
- is recognised by others to be of regional/national significance
- has a track record in innovation, taking on new developments, and making a unique contribution to the arts infrastructure within the region.
- has the ability to disseminate good practice beyond the organisation to other practitioners and relevant partners
- contributes towards the fulfilment of the harmonised aims and objectives of the Partnership Investors
- contributes to the key priorities of all the partners

Performance Criteria

The organisation should be able to provide evidence of having produced work of a quality that is appropriate for its intended audience/participants. This quality should be reflected in the organisation's business plan covering the following areas:

- performance, educational and outreach activity in order to meet its stated artistic objectives
- marketing strategy and plans for developing its audience/participants in accordance with the aims and objectives of the organisation.

Human, Financial and Infrastructure Criteria

The organisation should be able to provide evidence of:

- how it operates its human and financial resources appropriate to a business of its size and activity in order to create a sustainable and robust infrastructure from which it can operate effectively.

Partnership Objectives of the Service Level Agreement – 2009/10

In support of the Human, Financial and Infrastructure Criteria outlined above, the Partnership Investors agree that the Mercury Theatre expect to:

Mercury Theatre Objectives

Please see 3 Year Plan published June 2008 and SLA Partner Appendices 1, 2 & 3

Key Outputs for 2009/10

Audience figures:	94,000	excluding hires.
Outreach/Education:	19,000	
Ticket Revenue:	£1.2M	
Surplus:	£1K	

Key Outputs for 2010/11

Determined during 2009/10

Please note:

- *The Partnership Investors reserve the right to review the Partnership Objectives as appropriate throughout the life of this document. Any review will be discussed with the Mercury Theatre.*

4. The Service Level Agreement

Level of funding for 2008/09 and 2009/2010

In 2008/09 the grant awarded to the Mercury Theatre from Partnership Investors programme is:

	2008/09	2009/10
Colchester Borough Council	£298,000	£298,000
Arts Council England	£791,059	£812,417
Essex County Council	£70,944	£72,008
Total	£1,160,003	£1,182,425

This Service Level Agreement is for the three year period 2008/09 – 2010/11

The table below gives a three year funding overview. Funding for 2008/09 and 2009/10 is confirmed. However, the figures provided for the following year are for planning purposes only; funding can only be confirmed each year, subject to annual budget settings each spring.

	2008/09	2009/10	2010/11
Colchester Borough Council	£298,000	£298,000	£298,000
Arts Council England	£791,059	£812,417	£834,353
Essex County Council	£70,944	£72,008	£72,008
TOTAL	£1,160,003	£1,182,425	£1,204,361

All three Partnership Investors are committed in principle to annual inflationary increases. These can only be paid, however, if the Partnership Investors secure such increases in their own budgets.

Monitoring and assessment

Overall approach

The Mercury Theatre's Business Plan will indicate clearly how it meets the aims and objectives of the Partnership Investors, as outlined on page 4 of this agreement.

The Mercury Theatre recognises that it is in receipt of public funding and accepts responsibility for meeting the criteria of the Partnership Investment Programme and delivering the agreed milestones.

The Partnership Investors, too, recognise that they are accountable for the use of public funds, and that they have an important role to play in monitoring and assessing the work they fund.

The work of The Mercury Theatre during 2008/09 – 2010/11 will be monitored and assessed in the following ways (note: these are the minimum terms, other methods of monitoring and assessment and different amounts of contact can be negotiated as appropriate):

The Biannual Review Meeting

- A Biannual Review Meeting (BRM) to take place between The Mercury Theatre and the Partnership Investors. Those involved in the BRMs are as follows:
 - Chair of Board of Directors
 - Designated Board member
 - Chief Executive
 - Member/s of Senior Management Team (at least one and others as appropriate)
 - Key Investing Partners
- The purpose of the BRM is to review the organisation's performance retrospectively against milestones for each half year and look ahead to anticipate issues in the following half year, as well as identifying longer term issues. There will be a need to update the plan regularly, adding more detail to future milestones as they approach, adding in additional milestones and creating greater clarity on performance measures and the supporting evidence to be provided.
- Prior to each BRM the Mercury Theatre should provide the Partnership Investors with an agenda for the meeting, minutes from the previous meeting, a brief written progress report, the documentary evidence that supports the milestones achieved in the previous six months, an updated milestone plan and the latest management accounts.

Executive Annual Review

- An Executive Annual Review Meeting to be attended by Senior Executive Officers and political Members of the partner organisations will take place following the second Biannual Review Meeting each year. The Executive Annual Review Meeting aims to ensure that dialogue takes place between the partners at a strategic level, that the investment strategy and performance targets remain harmonised, and that any factors affecting performance are discussed openly and effectively.

Partnership Investors' attendance at other meetings and events

- Partnership Investors will attend a minimum of two events/activities per year.

Provision of information

- The Mercury Theatre will provide the Partnership Investors with copies of the following:
 - Print and press releases
 - Constitution and/or Memorandum of Association
 - Staffing structure
 - Job Descriptions
 - List of Board members
 - Sub-committee structure
 - Equal opportunities policy

- A Milestone Plan will be provided by the Mercury Theatre for each forthcoming year which should include:
 - Current Business Plan, including education/outreach and marketing policies
 - A budget/cashflow for the forthcoming year
 - Details of activities for the forthcoming year
 - A completed copy of the Mercury Theatre Harmonising Statistics for the previous financial year
 - The previous year's Annual Report and management/audited accounts
 - Copy of completed annual ACE survey to be sent to Partnership Investors
 - signed copy of the Service Level Agreement.

Audited accounts must be prepared in accordance with agreed guidelines and a copy submitted to the Partnership Investors annually. Each grant received from the Partnership Investors in any financial year must be credited in full and separately identified in the audited or signed accounts. This should make clear the differences between core support through the Partnership Investment Programme and any project grants received. Any grant unspent during the year for which it was given should be shown as a creditor in the accounts.

Failure to provide the information above could jeopardise future funding.

- A review of the three year Service Level Agreement will be held during 2009/10.

Any other mutually agreed methods of monitoring and assessment:

N/A

The Mercury Theatre will be invited to comment on the advice and assistance it has received from the Partnership Investors during the year. This will help us to improve our service to you and other organisations.

5. Accompanying Information

Terms and Conditions of Funding

Formal disclaimer

The fact that financial assistance is offered or accepted does not indicate that the funding partners approve the details of the project to be funded and does not constitute the recipients of that assistance as agents of or for the funding partners or otherwise make the funding partners liable to any person who may threaten or take proceedings of any sort against the recipients.

1 Purpose of funding

- 1.1 The Mercury Theatre acknowledges that the Partnership Investors' financial support is provided for the purposes set out in this agreement. The Partnership Investors reserve the right to demand repayment of all or any part of the financial support paid under this agreement if funds have been applied to other purposes. In addition the Partnership Investors may withhold any further instalments payable under this agreement.
- 1.2 The Mercury Theatre agrees that any substantial changes in its circumstances shall be notified to the Partnership Investors as soon as possible. Such changes include, but are not exclusively limited to, changes in levels of support from other funding bodies, the resignation or appointment of senior staff and changes in the constitution or corporate status. Failure to supply such information will entitle the Partnership Investors to withhold instalments payable under this Agreement.

2 Information

- 2.1 Advance notice of the dates of the organisation's Board or Management Committee and any sub-committees as requested must be supplied to the Partnership Investors. All related paperwork must be sent as far in advance of such meetings as is practicable, but at least seven days in advance. Any papers tabled at meetings should be forwarded to the Partnership Investors. A representative from each Partnership Investor is entitled to attend these meetings.
- 2.2 The Partnership Investors reserve the right to share data provided by the Mercury with other principal funders as appropriate. Data may be used for appraisal and assessment purposes.

3 Acknowledgement of funding

3.1 The organisation will acknowledge its financial assistance from the Partnership Investors in all publicity material in print, electronic, broadcast and other formats. Logos and style guidelines are provided with this agreement. The guidelines should be adhered to at all times.

4 General provisions

4.1 The financial assistance provided under this Agreement may not be assigned to any other person, association or company, other than in the course of authorised expenditure under the terms of this Agreement.

4.2 The Mercury is responsible for obtaining all necessary licences and permissions in relation to its activities as required by law.

4.3 The Mercury will operate Equal Opportunities policies within the terms of existing legislation and codes of practice. This particularly concerns the recruitment of staff, management and volunteers. The Partnership Investors require the organisation to demonstrate clear policies and objectives to ensure that it adequately meets Equal Opportunities requirements.

4.4 The fact that financial assistance is offered or accepted does not indicate that the Partnership Investors approve the detail of the specific projects to be funded.

4.5 This agreement does not in any way constitute the Mercury as an agent of the Partnership Investors or otherwise make the Partnership Investors liable to any person who may threaten or take proceedings against the Mercury.

4.6 The Partnership Investors cannot participate in the direction of the Mercury's affairs. This applies similarly to Arts Council England members and advisors and local authority members, in their capacity as representatives of Arts Council England, the district or the county. Colchester Borough Council, as sole trustee of the New Theatre Trust, which has one councillor representative, with no controlling interests, on the Board with voting rights and it is the duty of the appointed Councillor to carry out their responsibilities with care and diligence.

4.7 If payment of a grant is not claimed by the date on which the offer lapses, the Partnership Investors' offer will become void, unless a formal extension has been negotiated.

4.8 The information in this agreement is to the best of our knowledge correct at the time of drafting. The Partnership Investors reserve the right to change the length and amount of investment in the light of any relevant developments that occur during the life of this agreement.

5 Recruitment to senior posts

- 5.1 Senior posts should be advertised in the relevant regional and national media and the relevant logos must be included in advertisements in accordance with the style guidelines provided.
- 5.2 The organisation should agree with the Partnership Investors the procedure for making and renewing the following senior appointments in advance of them being advertised:
- Chief Executive
 - General Manager
 - Education Associate Director
 - Production Manager

The Partnership Investors must have input into the job description, person specification and terms of the post. The Partnership Investors reserve the right to take part in the short listing of candidates and must be offered representation on interviewing panels and participate at all stages of the selection procedure. However, the selection itself remains the sole responsibility of the Mercury.

6 Insolvency or cessation of activities

- 6.1 Particular attention is drawn to the duties and requirements of insolvency and legislation. Those responsible for the organisation's affairs must ensure, by taking appropriate legal advice when necessary, that the Mercury can continue to operate solvently. The Mercury must not rely exclusively on continued support from the Partnership Investors as evidence of solvency.
- 6.2 The financial support provided by the Partnership Investors is conditional on the continuation of the activities described in this Agreement.
- 6.3 Funds will be repayable in full to the Partnership Investors in the event of any of the following:
- Misuse of payments received from the Partnership Investors by The Mercury Theatre
 - A breach of the law by The Mercury Theatre
 - Petitioning the court for the appointment of an administrator
 - Having a receiver appointed over all or any part of the Mercury's assets
 - Being the subject of a petition or resolution for the Mercury's 'winding up'.

Schedule of funding payments and reporting requirements

For the financial year 2008 – 2009 and 2009 - 2010

The Partnership Investors will provide funding of:

	2008/09	2009/10
Colchester Borough Council	£298,000	£298,000
Arts Council England	£791,059	£812,417
Essex County Council	£70,944	£72,008
Total	£1,160,003	£1,182,425

This funding will be paid in instalments, set against the Biannual Review meetings or as negotiated with the Partnership Investors.

At the outset of the agreement, the Partnership Investors will require the latest copies of the Mercury's Constitution and/or Memorandum of Association, staffing structure, job descriptions, list of Board members, details of committee structure and equal opportunities policy. If amendments are made to any of the above, revised versions should be forward to the Partnership Investors.

Service Level Agreement – Funding Acceptance Form 2009/10

This Service Level Agreement is made between:

- ◇ Colchester Borough Council
- ◇ Arts Council England
- ◇ Essex County Council Arts Development
and
- ◇ The Mercury Theatre

This Funding Acceptance Form refers to Funding Acceptance Forms will be forwarded for following years will be completed annually, following the budget setting process for each of the Partnership Investors.

Funding levels

Partnership Funder	2008/09	2009/10	2010/11
Colchester Borough Council	£298,000	£298,000	£298,000
Arts Council England	£791,059	£812,417	£834,353
Essex County Council	£70,944	£72,008	£72,008
Total	£1,160,003	£1,182,425	£1,204,361

Date of commencement 01 April 2008

Date of conclusion 31 March 2011

Purpose As set out in the Service Level Agreement, principally in sections 3 and 4.

I agree to the purpose of funding outlined in the Service Level Agreement and to the methods of monitoring and assessment.

Signed (Senior member of staff)

Name (please print)

On behalf of The Mercury Theatre

Date

Signed (Chair of the Board)

Name (please print)

On behalf of The Mercury Theatre

Date

Signed

Name (please print)

On behalf of Colchester Borough Council

Date

Signed

Name (please print)

On behalf of Arts Council England

Date

Signed

Name (please print) _____

On behalf of Essex County Council _____

Date _____

Appendix 1 – Colchester Borough Council Requirements Service Level Specification between Colchester Borough Council and The Mercury Theatre 2009/10

Colchester has a strong cultural scene that is one of the town’s unique selling points. The town’s cultural vibrancy is the legacy of a strategic local and inward investment strategy as well as a partnership delivery model that is highly regarded in the region.

Colchester Borough Council invests in strategically funded arts organisation within the borough because of clear evidence that the organisations provide a service to Colchester’s residents and meet the Council’s strategic priorities. The partnership investment model aims to return greater investment to the local economy, support jobs and develop the cultural and creative industries, and provide attractions for local people and visitors alike.

The Mercury Theatre is one of these strategically funded organisations. The Mercury is a registered charity that is highly regarded locally and nationally. The Council particularly acknowledges the tangible link to the community with everything the theatre does on the stage.

By setting the service specification, this document helps to ensure that the Council’s investment of public funds meets identified needs. The service level agreement also defines the monitoring process that will help to develop more efficient and sustainable service delivery by working in partnership.

The following table sets out the Mercury Theatre’s key targets for performance and their relationship to the Council’s strategic priorities.

Performance headlines	Target to put on 350 performances with 100,000 people attending inc hires. At least 70% local audience and 15% audience supporting tourism economy. Target 900 community and education sessions with 19,000 participants. Continue SLA partnership between CBC, ACE, ECC and the Mercury to ensure ongoing revenue funding for core stage and community work is maintained
Community outreach and development	£300,000 to be invested into work in the community 900 community and education sessions with 19,000 participants Maintain rate of 30% tickets sold on a concessionary basis Maintain rate of 12% of tickets sold to people over 60 Maintain rate of 7% of tickets sold to disabled people and carers Increase level of concessionary tickets given for social inclusion from 2,000 to 2,100 Appoint, induct and train a person with a disability and a person from BME background onto Board of Directors and allocate appropriate roles onto management committees Explore mechanisms to encourage more job applications from BME

	<p>communities and people with a disability</p> <p>Developing community and rehearsal facilities at Garrison Gym to provide improved conditions for making work and community activities</p> <p>Increasing DDA audience through the See a Voice Project. Target to increase Caption/AD/BSL concessionary tickets sold by 100</p> <p>Provide evidence to show that proportionally more people from modest income and low skilled households attend the Mercury than the national average for participation in the arts.</p> <p>Continue to review and implement the theatre's diversity and equality action plan including training and learning sessions for all employees and trustees.</p> <p>Provide evidence of building relationships with BME groups including Essex Cultural Diversity Project, TAPMEC and Black History Month.</p> <p>Provide evidence of review and increasing audience engagement through NI 11, Free Theatre Tickets and segmentation initiatives.</p>
Younger and Older People Supported	<p>Maintain rate of 12% of concessionary tickets sold to younger people</p> <p>Deliver 900 community and education sessions with 19,000 participants</p> <p>Strive to maintain high sales (25,000 tickets) of tickets for family pantomime</p> <p>Maintain level (145 people) of young people enrolled in youth drama classes</p> <p>650 community sessions delivered for young people</p> <p>340 education sessions</p> <p>160 young offenders sessions to be facilitated in 2009/10</p> <p>Weekly over 50's sessions</p> <p>Maintain level (190 students) of participation in World Aids Day</p> <p>Target to facilitate 100 plus school-based sessions</p>
Enabling job creation and Contribution to the Local Economy	<p>Report data on FTE jobs and spend on salaries at year end</p> <p>Target to provide roles for 20 volunteers</p> <p>Target to deliver 8 work experience placements, plus 1 creative skills 13 week apprenticeship</p> <p>Investigate apprentice scheme opportunities and introduce 1 technical apprentice in 2009/10</p> <p>Provide evidence to show contribute to National Skills Academy and Train to Gain initiatives</p> <p>Provide evidence to show support for young, new and emerging regional talent and companies through the Escalator East cultural sector development scheme</p> <p>Report spend on supplies and services in local economy at year end.</p> <p>Assist the Council to complete PRIME economic impact research</p>
Reduce, reuse, recycle	<p>Publish carbon reduction action plan 31 March 09</p> <p>Target to reduce carbon footprint by 20% in three years – provide evidence of movement against this target in bi-annual review sessions</p> <p>Working with CBC to test feasibility of a green/er roof and to explore the potential to raise capital funds to realise this ambition</p>

The Mercury Theatre plans to promote the support and investment that the Council provides by:

- Each year, focussing on a developmental area to develop partnerships for future growth and benefit for the community and the local economy. In 2009/10 The Mercury will be drawing together arts and heritage venues and providers to co-create and market a programme of events – GiFT – to celebrate and reveal some of the stories and treasures of Colchester and its people. The aim in addition to the events themselves is to initiate partnership working to create a foundation upon which an annual festival can be built (resources allowing.)
- Research, development and fundraising will be undertaken in 2009/10 in preparation for the developmental focus for 2010/11 – International partnerships.

The Mercury Theatre links to the following local or regional strategies and priorities.

- ACE East - Escalator Review Panel.
- Youth Justice Scheme
- Local schools, colleges and Essex University

Learning & Training

- ACE National – Apprentice Advocate
- National Skills Council / National Skills Academy for Creative and Cultural Skills
- Learning Skills Council / Train To Gain.

Engagement

- Essex Cultural Diversity Project.
- NI 11 Explore Culture Engagement Group
- ACE National – Free theatre ticket initiative – A Night Less Ordinary
- See A Voice project

Appendix 2 – Arts Council England East Requirements

Organisation's mission

Through the creation of work which enriches audiences intellectually, emotionally and spiritually the Mercury aspires to become one of the leading centres of excellence in this country. A commitment to quality, innovation, diversity and accessibility will result in larger, younger and broader audiences. The theatre and its work will actively contribute to the regeneration of producing theatre in the Eastern Region, through partnerships with Arts Council England, East and other regional organisations. See also - 3 Year Plan 2008 to 2011 published 2 June 2008

Organisation's programme of activity

Proposed activity 2009/10-2010/11

Our programme and activities are designed to sustain core artistic work and drive forward innovative developmental projects, local to international. Emphasis is on supporting artist development through the Escalator programme and Gift projects, strengthening international working relationships, strengthening community engagement and continuing to apply Creative Learning, in particular, to facilitate innovation.

The main programme as agreed with our funding partners is as follows:

- 5 Mercury Theatre Company (MTC) productions per year, one of which GIFT, will be site specific in Colchester autumn 2009
- Minimum one MTC studio production per annum.
- Maintain current high levels of activities for young people and community
- International relationships, currently envisaging: artist exchange with Shakespeare and Company (USA) summer 2009; co-production of Romeo and Juliet with Argentinian musicians and choreographers by end 2010; visit from and artist exchange with National Theatre of Macedonia by end 2011
- Contribute to the region's talent development initiative through support of new and emerging companies, and through young writers working through Escalator.

Organisation's deliverables

The Organisation's planned programme will deliver the following:

Excellence

- Advance the theatre's leadership role as one of the regions major producing theatres including representing cultural activities on the 2020 LSP and building on relationships with other regional RFO's
- International links will be developed with the National Theatre of Macedonia and Argentinean musicians and choreographers, adding to existing links with Shakespeare and Co. (USA)
- Co-produce with organisations such as Theatre503 and The Traverse to develop new writing, with at least one co-production under active preparation during the life of this agreement
- Develop new rehearsal facilities to provide improved conditions for making work and community activities
- In order to assist in programmes being delivered to a high standard we will implement and monitor the Funds Development Plan being published by 31 March 2009
- Continue to improve the commercial visiting drama mix to ensure that the quality and range of bought in work is of an acceptable standard.
- Support and engage with Escalator artists
- Support regional Companies such as Classworks, Nabokov, Menagerie, Real Circumstance, Scamp and Tilted – through programming, investment, production and technical support and co-producing as appropriate and possible.

Innovation

- Further embed creative learning throughout the organisation, including MTC actors and creatives, to ensure a company wide process for evaluating work and learning from experiences is in place and documented
- Embed the See a Voice project (CAP and AD)
- To offer a site specific experience with our Gift Project
- Over the agreement period achieve a 20% reduction in the theatre's carbon footprint by implementing the carbon reduction action plan being published by 31 March 2009.

Diversity

- Explore mechanisms to encourage more applications for employment from BME communities
- Ensure that race equality is a regular agenda item for Board discussion and identify opportunities to increase the diversity of the Board Itself.
- Review diversity in programming to encourage attendance
- Include casting in the diversity statistics and identify where BME representation can be improved
- Work with ECC and others to ensure that our diversity and equality action plan is further actioned and reviewed.

Reach

- As a minimum maintain our current overall capacity utilisation for productions and current overall attendance for activities through the economic downturn

Within this overall minimum focus on future audience development and reach by,

- Implementing the Free Theatre Initiative and plan / investigating how an ongoing scheme legacy can be achieved. Achieve a minimum of 1177 free tickets issued to under 26 year olds in each year
- Working with ACE, other RFO's and local authorities to increase participation through the Engagement Initiative currently being developed, Achieve a minimum increase of 750 tickets/activity attendance from specific audience (economic and/ or cultural) segment totals for 2007/8 in each year
- Increasing our DDA audience through the See a Voice Project. Achieve a minimum increase of 100 Caption/AD/BSL concessionary tickets from the 2007/8 level in each year
- Continue to implement and review the new marketing plan completed in 2008/9
- Continue to seek to extend the life for MTC productions nationally and internationally with at least one production toured beyond the Mercury during the period of this agreement.

Engagement

- Work with other RFO'S and local authorities to widen engagement in order to achieve targets agreed through NI 11 for Essex
- Continue to create opportunities for access to the arts particularly for children and young people. This includes a child / family own production in May/June 2009 to test and challenge our Panto audience, community involvement in the Gift Project (Autumn 2009) and ongoing commitment to our overall community activities
- Contribute to National Skills Academy spoke for the East Of England.
- Contribute to the Train to Gain Initiative
- Develop a major site specific community involved production (Gift) for 2009 to celebrate the tenth anniversary of the Mercury Company. This will involve the participation of a range of arts and organisations within the town, raising the profile of the Mercury among audiences and other stakeholders. Target numbers will be set during the planning stage
- Work with schools to demonstrate the creative learning initiatives undertaken by staff.

Appendix 3 – Essex County Council Corporate Priorities

The goal

Essex County Council Corporate Plan

Essex County Council's Corporate Plan states that the Council wants to "***deliver the best quality of life in Britain***". This will be achieved through:

3 delivery programmes:

- Our People
- Our Economy
- Our World

And 5 values:

- Passionate
- Responsive
- Inspirational
- Supportive
- Motivating

Within this context Arts Development define their business, including the operation and administration of the Strategic Arts Organisation Programme. Communities are stronger when people engage and the Council want to see active citizenship, community responsibility and greater participation in the full gamut of social, cultural and sporting activity.

As part of the new performance criteria for councils, the National Indicators (NIs), Essex County Council also wants organisations it supports to demonstrate increased:

- **Participation in the Arts (NI 11)**

And the additional indicators

- Participation through regular volunteering (NI 6)
- Adult participation in sport (NI 8)
- Visits to museums or galleries (NI 10)

In addition to the National Indicators being a tool for local Government, they also form part of the Essex Local Area Agreement with statutory and community partners, which has prioritised NI 11 (amongst other indicators) as a key objective (known as priority 6) for the period of the Local Area Agreement (2008 – 2011).

EssexWorks

EssexWorks is a four year vision (2008 – 2012) to provide Essex with the best possible quality of life for all people who live and work in the county. This sits alongside the existing Essex County Council Corporate Plan. Following extensive consultations and public engagement for the Essex Strategy, the EssexWorks vision formed 10 priorities which also act as criteria in determining participation in the Strategic Arts Organisation Programme.

- **One overarching priority**

Putting the customer first

- **Our People**

Increasing educational achievement and skills
Promoting health and leisure
Supporting vulnerable people

- **Our Economy**

Improving transport
Promoting sustainable economic growth
Delivering value for money

- **Our World**

Protecting the environment
Reducing and recycling waste
Making communities safer

Essex County Council Pledges

Sitting alongside the priorities are annual pledges (from 1 April) which the Council has made to local residents. 2008 includes promoting an Essex 'Year of Culture' to increase tourism and inward investment. 2009 includes making available a £1million 'Life Raft Trust' to keep open a range of Essex attractions during the economic downturn.



Strategic Overview and Scrutiny Panel

Item
11

2 March 2010

Report of	Executive Director	Author	Charles Warboys ☎ 282350 Georgina Blakemore ☎ 282284
Title	Revenues and Benefits Fundamental Service Review		
Wards affected	All		

The Panel is invited to review the Revenues and Benefits business case and the draft Cabinet report resulting from this Fundamental Service Review

A Fundamental Service Review of Colchester Borough Council's Revenues and Benefits service began in November 2009. This is part of the corporate improvement programme of reviews.

The review has progressed well and reached the business case stage where recommendations for the future direction of the Revenues and Benefits services are made.

The attached draft report to Cabinet recommends the approval of the business case as part of this Fundamental Service Review. This is an evolving document, with detailed work and consultation continuing to take place in February and March. This will include firming up on issues such as the structure, costs and savings estimates and timescales.

Strategic Overview and Scrutiny Panel is asked to review and comment on this report, so that this can be considered by the Cabinet on 17 March 2010.

The draft Cabinet report and supporting information is attached.



Cabinet

Item

17 March 2010

Report of	Executive Director	Author	Charles Warboys ☎ 282350 Georgina Blakemore ☎ 282284
Title	Revenues and Benefits Fundamental Service Review – draft Cabinet report to be considered at Strategic Overview and Scrutiny Panel 2 March 2010		
Wards affected	All		

This report concerns the Fundamental Service Review of Revenues and Benefits Services and the business case arising from this review

1. Decision Required

- 1.1 To approve the business case resulting from the Fundamental Service Review of Colchester Borough Council's Revenues and Benefits service (attached).

2. Reasons for Decision

- 2.1 The Council's vision as set out in its Strategic Plan is of "Colchester: a place where people want to live, work and visit." This vision is supported by three objectives - to listen and respond, shift resources to deliver priorities, and be cleaner and greener - and by nine priorities for action to improve the quality of life in the borough.

The business case will deliver across the Strategic Plan's vision, objectives and priorities as the Revenues and Benefits services are key to achieving them. This is particularly so in the case of helping local people of all ages to get services, support and financial help across a range of housing, social and economic needs so that they can make the most of opportunities in their community.

- 2.2 The Council's Revenues and Benefits services have contact with every household in the borough (all 74,000 homes are liable for Council tax), every business (5,200 businesses) and provide payments to ensure people are able to receive the financial support they require to remain housed (14,000 people are in receipt of benefit / 74,000 homes = 19%).
- 2.3 With such a significant contribution, both strategically and operationally, to this number of residents and businesses, the service is keen to take this opportunity to further shape its delivery around the three drivers of Fundamental Service Reviews: an improved customer experience, efficiencies and effectiveness.

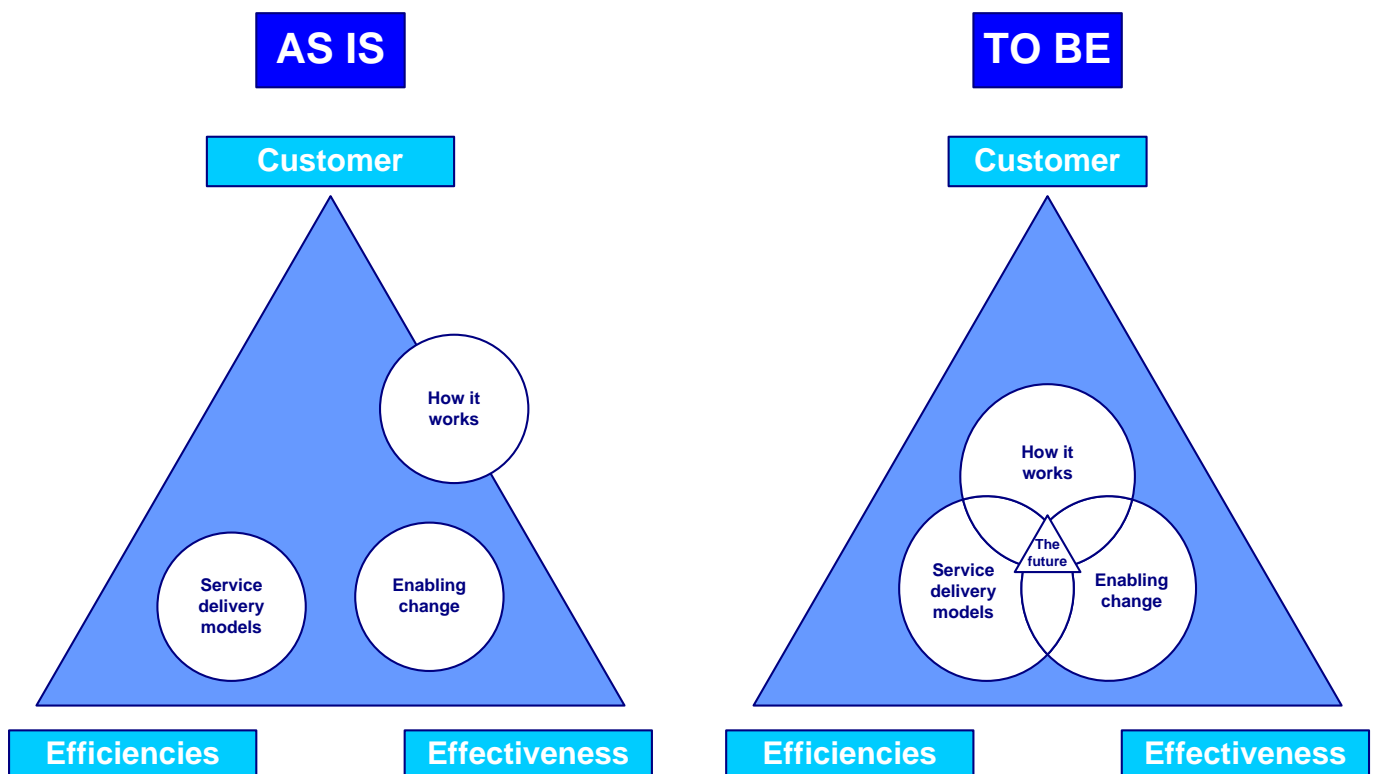
3. Alternative Options

- 3.1 The alternative option would be not to approve the business case or to ask for changes to be made to the proposals set out in the business case. In either scenario, the delivery of improved customer excellence, and greater efficiency and effectiveness in the Revenues and Benefits services could be delayed or not delivered. The business case is the result of considerable research, analysis and consultation on the part of a core project team and staff in the services.

4. Supporting Information

- 4.1 The Revenues and Benefits service is undertaking a fundamental service review (FSR) as part of the Council's change programme. This FSR began work in November 2009.
- 4.2 The effects of the economic downturn have seen workload increase across the Benefits service with examples of activity increasing by 140% amongst certain customer types. An increase in caseloads, the complexity of the work and difficulties with existing technology are everyday challenges for the people within the service. The borough's population is also expected to increase by 6% by 2011, and by 31% by 2021, which will create more demand for Revenues and Benefits services.
- 4.3 Customers told us that they rate their contact with staff more highly than their experience of the process. Customers were complimentary about staff helpfulness, but customer satisfaction declines significantly over time as the process continues. The FSR aimed to identify ways to enhance the customer experience, save time and improve performance.
- 4.4 The FSR has had sponsorship from the Executive Director for Customer Excellence, and has built on the experience of previous fundamental reviews. It has used a dedicated core project team, comprising service resources and the Corporate Support Team, over a condensed and concentrated period of time from November 2009 to February 2010.
- 4.5 Please see the Executive Summary shown on pages 3 and 4 of the business case.
- 4.6 The high level opportunities for change have been grouped into three core themes:
- How it works – improved customer journey and how the process works
 - Enabling the change – through ICT and cultural change
 - Service delivery model – internal refocus or external options.

This illustration shows the 'As Is' or pre-FSR position, and how we want to bring these together in the 'To Be' stage, as we implement the findings of the business case:



4.7 The emerging issues for the three core themes can be summarised as:

Theme 1 - How it works – improved customer journey and how the process works

- Customer Information

Aims to help prevent customers from taking unnecessary journeys through a process that they do not qualify for by improving understanding through education and clear information. Also to enable customers to access the relevant information to answer their queries reducing the current average of four contacts per case to one, or zero where possible.

An illustration of how customer contact could change as a result is shown on the next page. There is the potential to eliminate 65,500 avoidable customer contacts – a reduction of 40%. The introduction of e-claims will enable a significant shift from face-to-face to online contacts, but a range of contact methods will continue to be offered along with supported help to complete the e-claim.

- More Upfront

Aims to enable customers to self-serve, establishing needs at the first point of contact and giving expert advice at that point, with faster assessment, claim award and processing of changes – with reduced duplication and rework processes.

- Risk Assessment

Aims to use risk and verification assessment techniques to focus on the cases with a high risk of fraud, enabling the lower risk cases to be processed more quickly.

Theme 2 - Enabling the change – through ICT and cultural change

Aims to build on and join up existing ICT options, and introduce new ICT options such as e-claims which could enable more than 80% of claims to be completed online – and an online benefits calculator which could reduce claims by up to 26% by eliminating non-qualifying claims.

Cultural change aims to make the most of customer focus, flexible working and communication skills. This includes a greater degree of multi-skilling within the service, and potentially across other services to bring customer queries together, for example Housing and Benefits issues could be addressed as a whole to help the customer and put them at the heart of the solution.

Theme 3 - Service delivery model – internal refocus or external options

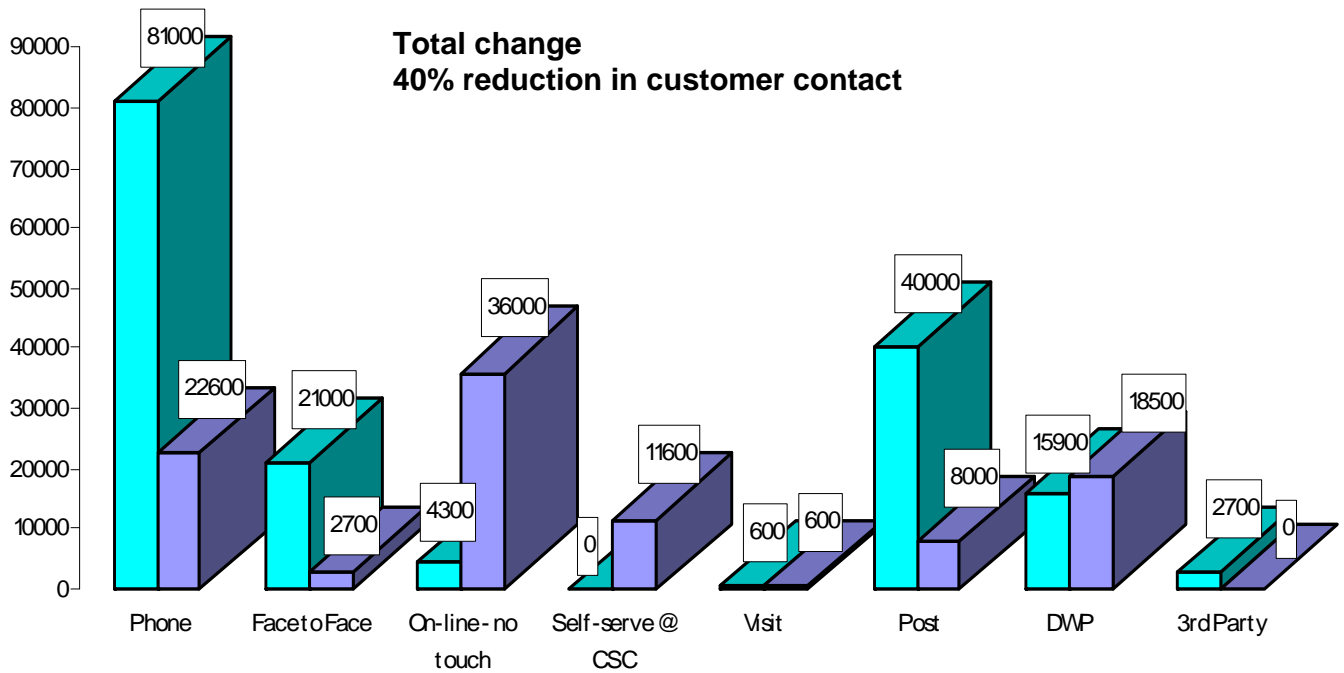
Aims to seek out all possible efficiencies for the Council first through internal refocus. However, in the long term we are not discounting other delivery models such as outsourcing, shared services or 'centre of excellence'.

4.8 Key factors for success are:

- ICT capital investment to generate revenue savings and deliver corporate benefits
- Upfront investment to deliver full implementation benefits
- Achieving maximum efficiencies in-house before external delivery options are developed.

4.9 How will customer contact and the access channels they use change? - from As Is (now) to To Be (following implementation plan)

Channel changes overall - indicative



Channel changes overall - indicative			
	As Is	To Be	Difference
Phone	81000	22600	-58400
Face-to-Face	21000	2700	-18300
Online - no touch	4300	36000	31700
Self-serve @ CSC	0	11600	11600
Visit	600	600	0
Post	40000	8000	-32000
DWP	15900	18500	2600
Third Party	2700	0	-2700
Total changes	165500	100000	65500
Percentage change			Total 40% decrease

Channel changes - overall summary

- 72% decrease in phone calls
- 8-fold decrease in face-to-face contact
- 8-fold increase in online contact
- 11600 switch to self-serve at CSC
- No change in visits
- 5-fold reduction in post
- 6% increase in direct contact from DWP
- 100% decrease in third party contact (switch to online/self-serve)

Total change
40% reduction in customer contact

5. Proposals

5.1 The business case aims to deliver the following over a phased implementation period:

- improvement in benefit processing time (NI 181) from 15 days to 5 days.
- overall reduction in customer contacts by 65,500 a year - achieved by improved customer information (including education, channel management, insight, and communication). Positive impact on avoidable customer contact.
- net savings of around £450,000 (£118,000 of this is already accounted for in existing service budget and admin grant reductions over 2010/11 and 2011/12).

These opportunities are heavily dependent on implementation of two enablers – ICT and culture change. Timelines can only be confirmed through implementation planning, and costs will also become more detailed at that stage.

5.2 The principles of the new service are to:

- move work to the front of the process, as this will remove delays for the customer once they are into their 'journey' with us to resolve a query or access a service
- improve the level, accessibility, quality and timeliness of customer information
- encourage and support customers to use different access channels
- use a fraud risk assessment rating (high/medium/low) to ensure verification and evidence requirements are tailored to the customer
- join up the processes 'end to end' across all services (Customer Service Centre, Resource Management, internal and external providers) to make them as efficient and effective as possible, with an improved experience for the customer.

5.3 The project team is working on options for internal service delivery. This includes the implementation plan and the service structure to be put in place to deliver the benefits of the new design. Structural changes proposed include bringing staff and skills together into a corporate debt team and a professional support unit, and removing the split between revenues and benefits officers so that multi-skilled officers can do both streams of work. The implementation planning will include short term projects which can begin within 3 months, such as introducing e-claims and an online benefits calculator.

6. Strategic Plan References

6.1 The Council has a Strategic Plan for 2009 – 2012. As shown in 2.1, the business case will help towards the Strategic Plan's vision, objectives and priorities as the Revenues and Benefits services and how these are delivered are key to achieving these goals.

7. Consultation

7.1 This review has included consultation throughout the development of the business case. Four workshops have taken place with staff from the service to seek their input into what works well now, what could be improved and how, and to test out early ideas emerging from the business case. There have also been two workshops with staff from other services whose work impacts on Revenues and Benefits such as Legal, Housing, Human Resources and ICT, and two workshops with key external partners to consider their views about the opportunities and findings of the business case stage of the review.

7.2 There have been two briefings with Unison to date. This will continue with a regular schedule of meetings throughout the implementation stage.

7.3 Many of the opportunities identified in the business case require significant further work to bring them to the point of delivery. Internal colleagues and external partners will continue to be involved in their development.

8. Publicity Considerations

- 8.1 Revenues and Benefits Services have contact with every home and business in the borough. The review has been driven using customer insight gained from using Mosaic and Touchstone project work to make sure the review will lead to services that offer a better customer experience at every level. The overall aim is make it quicker and easier for customers to contact us across a range of access methods, and to have their query or issue dealt with as promptly and efficiently as possible.
- 8.2 A communication plan will be drawn up following the approval of the detailed business case to communicate the changes to the public as widely as possible.
- 8.3 Information accompanying this report has been provided to the local media on the purpose of the review and the predicted improvements for our customers in the quality, consistency and speed of service they will receive once the changes recommended are implemented.

9. Financial implications

- 9.1 There are significant savings to be made, but these are dependent on:
- the principle of significant capital investment being required upfront in order to deliver the full implementation, together with recognition of a need to prioritise ICT projects on a corporate basis in order to deliver the level of revenue savings and improved customer journeys which have been identified. The development of a new ICT strategy has already started.
 - the strategy of driving as much efficiency as possible (subject to the investment required) from within the service before external delivery options are developed further.

10. Equality and Diversity Implications

- 10.1 The screening stage for an Equality Impact Assessment has been carried out, and is available [by clicking this link](#), or on our website www.colchester.gov.uk/diversity.
- 10.2 This report is about the business case at a strategic level, and whether the principles identified in the business case should be developed further. Subject to approval of the business case, detailed Equality Impact Assessments will be carried out as part of the implementation planning stage of the review. These will be an integral part of any changes to services - an assessment of any potential direct or indirect discrimination needs to be made alongside specific proposals as they are developed.

11. Other Standard References

- 11.1 There are no specific Human Rights, Community Safety or Health and Safety implications.

12. Risk Management Implications

- 12.1 The high-level risks associated with this review have been identified in section 8 of the business case and are being actively managed. It is acknowledged that the changes identified to service delivery are significant, and will need to be carefully phased and planned in terms of capacity, ICT and cultural change requirements and with appropriate timescales.
- 12.2 A full risk register and risk management plan will be developed as part of the detailed implementation plan, and in consultation with the Council's Risk and Resilience Manager.

Background Papers

The business case with appendices is provided with this report.

Revenues and Benefits - Fundamental Service Review

Business Case – Scrutiny and Cabinet reports March 2010

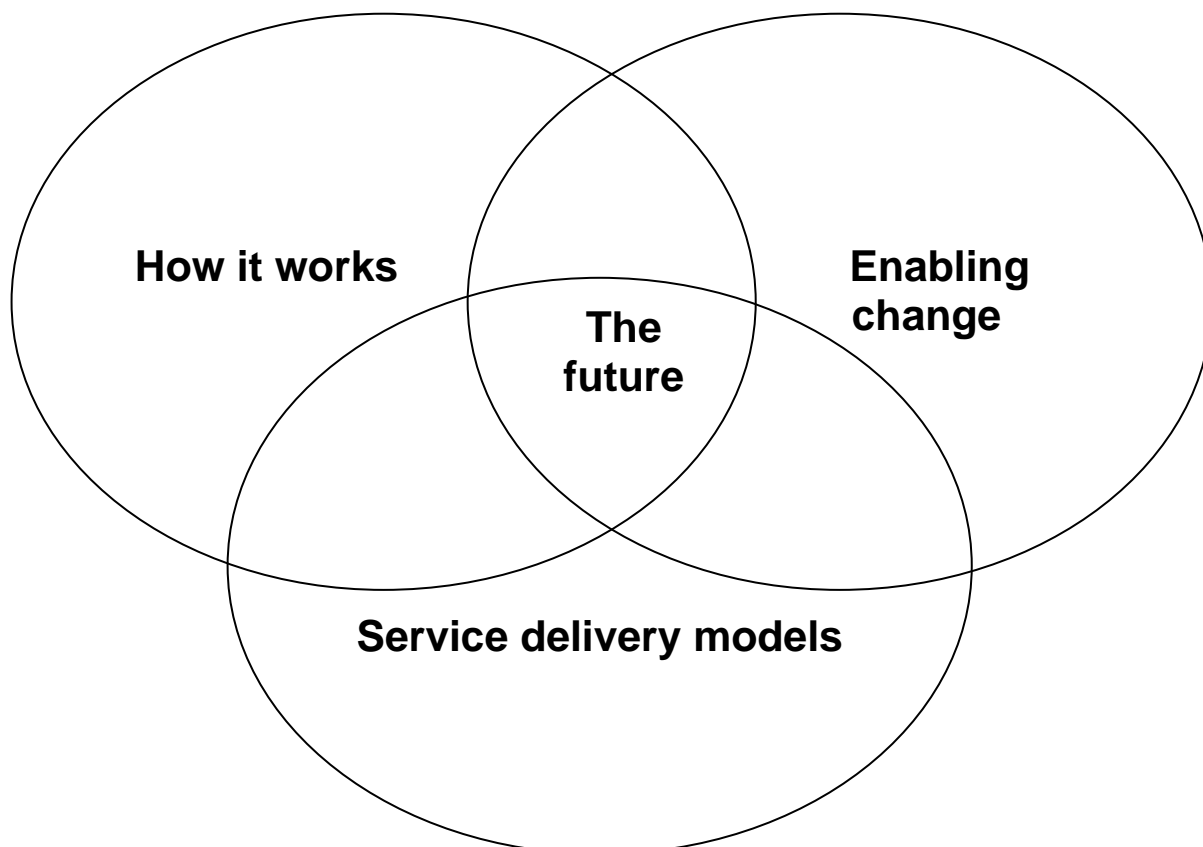
PROJECT SUMMARY SHEET

Service	Resource Management	
Service teams	Revenues and Benefits	
Head of Service	Charles Warboys	
Project sponsors	Pam Donnelly and Charles Warboys	
Programme Manager	Georgina Blakemore	Corporate Support Team
Core Project Team	Paul McMorris, Finance Manager	Service Team
	Lynne Hutton, Benefits Manager	Service Team
	Rick Godfrey, Control Manager	Service Team
	Karen Stoddart, Training and Policy Officer	Service Team
	Chris Malby, Technical Control Team Leader	Service Team
	Louisa Giddings, Benefit Fraud Investigations Team Leader	Service Team
	Jackie Davis, Project Support Officer	Corporate Support Team
	Chris Reed, Policy and Projects Officer	Corporate Support Team
	Mandy Jones, Research and Engagement Manager	Corporate Support Team
	Jane Swift, Performance and Resource Planning Officer	CSC
Corporate Team	Sean Plummer, Finance Manager	Finance
	Lee French, ICT Manager	ICT
	Michelle Tarbun, HR Business Partner	HR
Timescale	2 November 2009 to 12 February 2010 - full business case completed	
Governance	Initial business case	EMT 7 Dec, SMT 8 Dec, Leadership Team 16 Dec 2009
	Full business case	EMT 19 Jan, SMT 25 Jan, Leadership Team 3 Feb, SOS 2 Mar, Cabinet 17 Mar 2010
Committed efficiency and effectiveness savings	£118k over 2 years. (£25k built into 2010/11 base budget, and £23k service saving option for 2010/11, and £70k Admin Grant 2011/12)	Service budget

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Please also see appendices. The Equality Impact Assessment screening is published on www.colchester.gov.uk/diversity or [click this link](#)



1. Executive Summary

The Revenues and Benefits service is undertaking a fundamental service review (FSR) as part of our change programme, to further shape its delivery around the 3 drivers of FSRs: customer, efficiencies and effectiveness.

The approach being tested is more intense - in time to deliver and in resources, both in-service and corporate. The scale of improvement is attributable to the fundamental nature of the approach – as opposed to 'business as usual' incremental change.

To deliver the opportunities and benefits, there are 2 enabling factors:

- joined-up and effective use of IT
- change management for people and organisational culture.

The changes to the service cannot be delivered without the enabling work being put in place. Any implementation times stated refer to time after any enabling work is delivered.

A service has been designed that has customer needs at the forefront.

The new service will deliver the following improvement at full implementation:

- improvement in benefit processing time (NI181) from 15 days to 5 days
- overall reduction in customer contacts by 65,500 a year - achieved by improved customer information (including education, channel management, insight, communication). Positive impact on NI14 avoidable contact
- a reduction of around £300,000 in the cost to deliver the Benefits service by removing paper, using risk-based assessment and improving processes by moving work up to the front of the customer journey
- a reduction of around £150,000 in the cost to deliver the Revenues service by improved processes, automation and self-service for customers
- an improved customer experience across the service by more effective channel management and expert advice at the frontline, with the customer getting their query or claim resolved quickly and simply at the first point of contact.

There will be a staged approach to implementation with as many savings being delivered in the short and medium term as possible. The full implementation timescale (1 year minimum) is based on the assumption that all enabling projects relevant to the theme are in place, so the 1 year starts after the enabling work has been completed. The savings can therefore be delivered early if corporate priorities and other resources are shifted, for example Connected Customer.

Of the savings identified above, there is an existing reduction in budget of £118,000 as shown on the front page summary of this document.

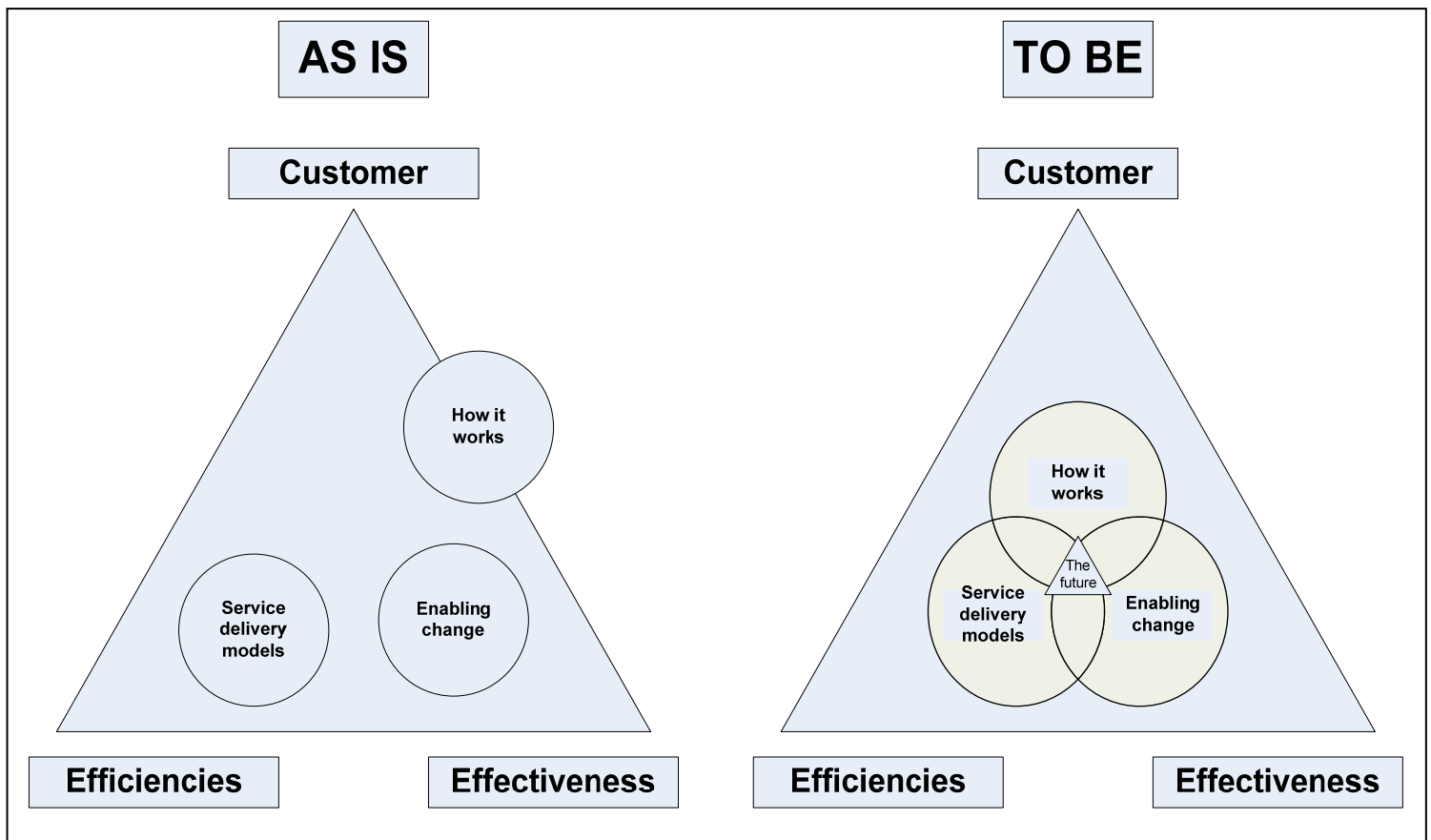
Resources to deliver the service in-house are being identified, although a final structure has not been proposed at this point due to the organisational design needing to incorporate the service, the CSC and potentially other CBC service areas.

A clear strategy is in place to drive out efficiencies first, alongside proposals for alternative delivery models such as outsourcing, shared services or centre of excellence.

Other structural changes proposed are:

- a corporate debt team to be created giving a joined-up customer centric approach to Council debt, resulting in improved co-ordination of debt recovery and increased income
- removal of the split between revenues and benefits officers so that multi-skilled officers can do both streams of work
- creation of a professional support unit which includes control, ICT, training and communications.

The illustration below sums up the business case - from the 'AS IS' start point, and how these elements will be brought together by achieving the 'TO BE' vision of the future of the service.



2. Opportunities

The service has contact with every household within the borough (all 74,000 homes are liable for Council tax), every business (5,200 businesses) and provides payments to ensure people are able to receive the financial support they require to remain housed (14,000 people are in receipt of benefit/74,000 homes = 19%). With such a significant contribution, both strategically and operationally, to this number of residents and businesses, the service is keen to take this opportunity to further shape its delivery around the 3 drivers of FSRs: customer, efficiencies and effectiveness.

The effects of the economic downturn have seen workload increase across the service with examples of activity increasing by 140% amongst certain customer types.

Customers have told us that they rate their contact with staff more highly than their experience of the process. Customers were complimentary about staff helpfulness, but customer satisfaction declines significantly over time as the process continues.

Examination of our processes has highlighted areas where communication has in-built delays and customers have to make many contacts with us before work can be progressed. Analysis shows that 65,500 customer contacts are potentially avoidable.

An increase in caseloads, complexity of the work and difficulties with existing technology are everyday challenges for the people within the service. Added to that is the organisational split of front office (CSC) and back office (Revenues and Benefits) where customers experience hand-offs and therefore delays that could be avoided by more joined-up working.

The review has identified a range of 16 opportunities and their implications - see Appendix A. In summary, there are 3 themes with related work packages:

Theme 1 - How it works

- Work package 1 - customer information
- Work package 2 - risk assessment
- Work package 3 - more upfront.

Theme 2 – Enabling change

- Work package 4 - ICT
- Work package 5 - culture change.

Theme 3 - Service delivery models

- Work package 6 - internal refocus
- Work package 7 - external options.

These are described in more depth in section 7 – The future.

3. Purpose of the review

Outcomes and success criteria

The review outcomes and success criteria are:

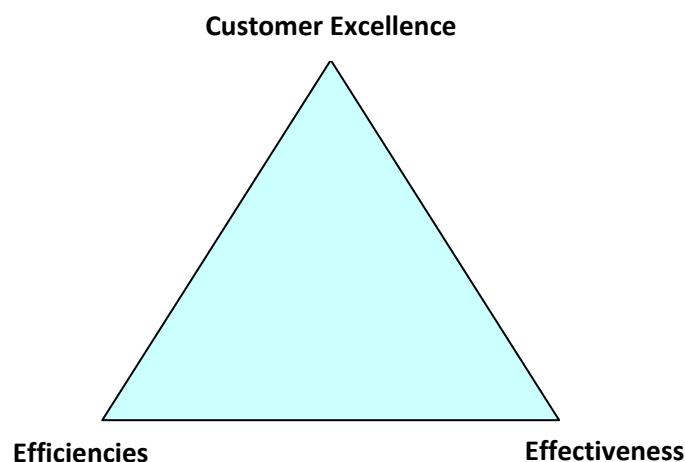
- Streamlined processes providing faster and more efficient delivery
- Greater responsiveness to customers' needs
- Higher satisfaction among customers and stakeholders
- Reduction in costs
- Higher levels of staff motivation and satisfaction
- Improved knowledge skills in up-front services
- Improve detection of fraud
- Increase income through collecting more of the revenue due to us
- Delivery against measures within the Strategic Plan action plan
- Helping Colchester be a place where people want to live and work.

WWW improvement programme

Fundamental Service Reviews are a critical part of the Way We Work programme, aiming to use the customer's experience to drive change in the way our services are delivered. The Fundamental Service Review (FSR) approach is to align services with key elements of the programme - customer excellence, people, flexible working, and place shaping - to work towards Strategic Plan priorities.

Customer excellence, efficiencies and effectiveness are the key drivers of any FSR. The decision to undertake a FSR is driven by any combination of the 3 variables.

However, each review to date has had its own drivers, timescales, priorities, levels of engagement, and expectations. We have learnt from the experiences of these reviews, and each will continue to have a differing approach. This will be evidenced by the adoption of the most appropriate delivery model for the service, and its successful implementation, monitoring and measuring of performance improvements.



The Revenues and Benefits Approach

The Revenues and Benefits review has built on the experience of FSRs to date and has used a dedicated core project team, comprising of service resources and the corporate support team over a condensed and concentrated period of time.

The service resource commitment has been considerable and the advantages over a longer, less intense, less resourced review is speed of progress, greater momentum and increased cross-service working. Additional resources outside the core team have been used to ensure accuracy and where workshops have taken place (staff, stakeholders and corporate technical support), the output has been consistent with the issues identified by the core project team, and potential solutions also have demonstrated commonality.

There have been high engagement levels in this FSR so far through the core project team. However, one key difference is that the engagement sessions with staff and stakeholders for the new service will be taking place after the business case proposals are going through the approval process.

Validation of the new service will therefore be focused on implementation challenges and 'how to', rather than validating the proposals themselves. This decision is based on the quantity and quality of input, which the service and CSC have contributed via the project team, would not then require further validation from a wider group; and that the issues and potential solutions identified in the first workshops were very closely matched.

There is no doubt that the engagement of staff and stakeholders is very important for buy-in, and particularly implementation. Following the excellent example of this in the Housing FSR, there will be engagement events in mid-February to capture any additional ideas, but particularly to engage in how we implement successfully.

There is a challenge to be overcome with future reviews in ensuring participation and engagement across the wider corporate team including HR, ICT and Finance, where tight timescales for workshop events and other contributions can clash with their existing commitments and priorities.

The more intense approach has enabled faster progress, and there is potential to continue this approach into basic implementation planning whilst the business case is being agreed.

There are also potential benefits to managers working through an intense period, as it does seem to ease their own transition along the change curve. The team environment created in an intense project team approach is supportive, challenging but open, and does encourage working together toward solutions that are joined-up.

The last observation is less about the more intense approach but more about it being the third FSR to be undertaken, the commonality of issues being uncovered, and the corporate approach required going forward to the solutions being implemented. Examples of emerging corporate themes would be within ICT, and CSC / Infopoint.

The corporate support team is working across reviews to join up the learning, and identify where the focus needs to be to ensure an excellent customer experience delivered efficiently through effective solutions.

4. Current policy, legislative and wider context

The [Welfare Reform Bill](#) published in January 2009 sets the broad context:

“When times are tough, it is more important than ever that we provide people with the extra help they need”.

Key policy issues focus on:

- removing barriers to paid work, which is seen as the best route to independence, health and wellbeing for most people
- personalising the support people get to the barriers they face
- a simpler benefits system
- minimising fraud and error
- devolving power to private, voluntary and public providers.

Central Government has stated its commitment to building a strong, healthy and prosperous society, where everyone has the opportunity to make the most of their skills and potential.

The Revenues and Benefits service clearly plays a significant role in the financial aspects of achieving these aims. There will always need to be capacity to ensure that the links between this wider context and the local delivery of the service.

- **How the recession is affecting benefits**

A new [Testing Times](#) Audit Commission report provides detailed findings of how the recession has affected benefits services. It describes key issues and strategies Councils are using to lessen the impact of the downturn.

In 2008/09, caseloads increased in all council types and regions. Applications for discretionary housing payments increased in 69% of councils surveyed. 82% reported higher demand for debt counselling.

70% have changed their strategy or operational plans to address increases in demand. Changes have included reviewing job roles and activities, more use of telephone interviews and IT solutions, and increased debt counselling.

The Council's innovative 'taking the service to our customers' approach, including benefits takeup events at Colchester's market with 20 local welfare agencies, is highlighted as a case study in the report.

- [Supporting people into work: the next stage of housing benefit reform](#)

Central government is currently consulting on the next stage of reforms to support people into work. This consultation states that:

“Housing Benefit helps 4.5 million households across Great Britain afford a decent home. It is not only a crucial part of the support we provide to low income households, whether they are in or out of work, it also guards against homelessness, supports mixed communities, and helps the building of

affordable homes for the future by ensuring a steady stream of income for social sector landlords.”

“Our challenge now is to reform Housing Benefit further so that it can help people into work. We want Housing Benefit to support independence and aspiration; we need it to be fair, affordable and sustainable.”

- **[Putting the frontline first: Smarter Government](#) – central government plans announced in December 2009 stated:**

“Switching transactions to online channels frees up staff to provide personal support and advice. For example, since the online benefit adviser service was launched in April last year, it has saved an estimated 690,000 calls.

So during the next year we will set out service by service how transactions with government will move online as rapidly as possible, starting with student loans, jobseekers allowance, working tax credits and then child benefit. In 2011 we will move to exclusive online vat returns and employer tax returns.

Our aim is - within the next five years - to shift the great majority of our large transactional services to become online only - and this has the potential to save as a first step £400 million, but as transaction after transaction goes online billions more.”

Shared services – current policy developments

- **Force Councils to share back office functions?**

Ministers should introduce legislation to force Councils to share back office functions and cut costs, according to a report by Deloitte. A legal duty for Councils to share services would remove the need to build political consensus and address cultural resistance to the concept, the report said.

The report, [Stop, start save. Shared service delivery in local government](#) looks at shared standardised processes such as payroll, financial administration and other transaction-driven back office processes.

It states “The potential for significant savings is hampered by the strong desire to protect the sovereignty of individual authorities. In light of budgetary constraints, Deloitte believes there is a compelling case for legislation that would require local government to share back office functions.”

“Sharing back office services would not erode local government democracy as Councillors are held accountable for the outputs of their authorities rather than managing support processes. The report also argued that shared services between Councils have rarely succeeded at scale and that local government has failed to deliver the level of savings achieved in the private sector.”

- **Our neighbours**

Mid Suffolk has announced plans to share its revenues and benefits services with 3 other Councils. Uttlesford and South Cambs have explored a joint service approach.

5. Understanding the customer experience

Our customer insight also includes Mosaic, Touchstone, caseload analysis and customer contact data. Please also see Appendix C.

The Council's Research and Engagement Team used Mosaic, a modelling tool, to help identify the key characteristics of our Revenues and Benefits customers and gain a better understanding of our customer base.

Touchstone is available to us through our corporate membership of the Institute of Customer Service, and provides us with immediate qualitative insight through conversations with customers who have recently contacted our services and is also complemented by a statistical analysis. A cross-service team carried out a Touchstone project in November 2009 with customers who had recently contacted the CSC.

The CSC carried an analysis of the caseload and customer contact data – see Appendix B.

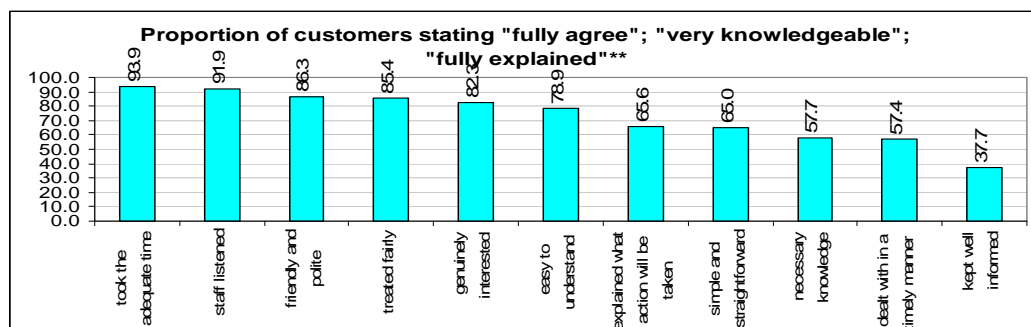
- **Mosaic**

There has been a significant increase in claims from customer groups we would not normally expect to be claiming benefits. There have also been increasing numbers of proven fraud cases amongst owner-occupiers with large amounts of consumer debt. They also account for the largest increase in the number of Council tax summonses since 2008, followed by single people and childless couples. These groups have changed the overall profile of customers contacting the CSC, and e-communication such as internet and online is their strong preference for contact – not making visits to our offices or reading printed leaflets.

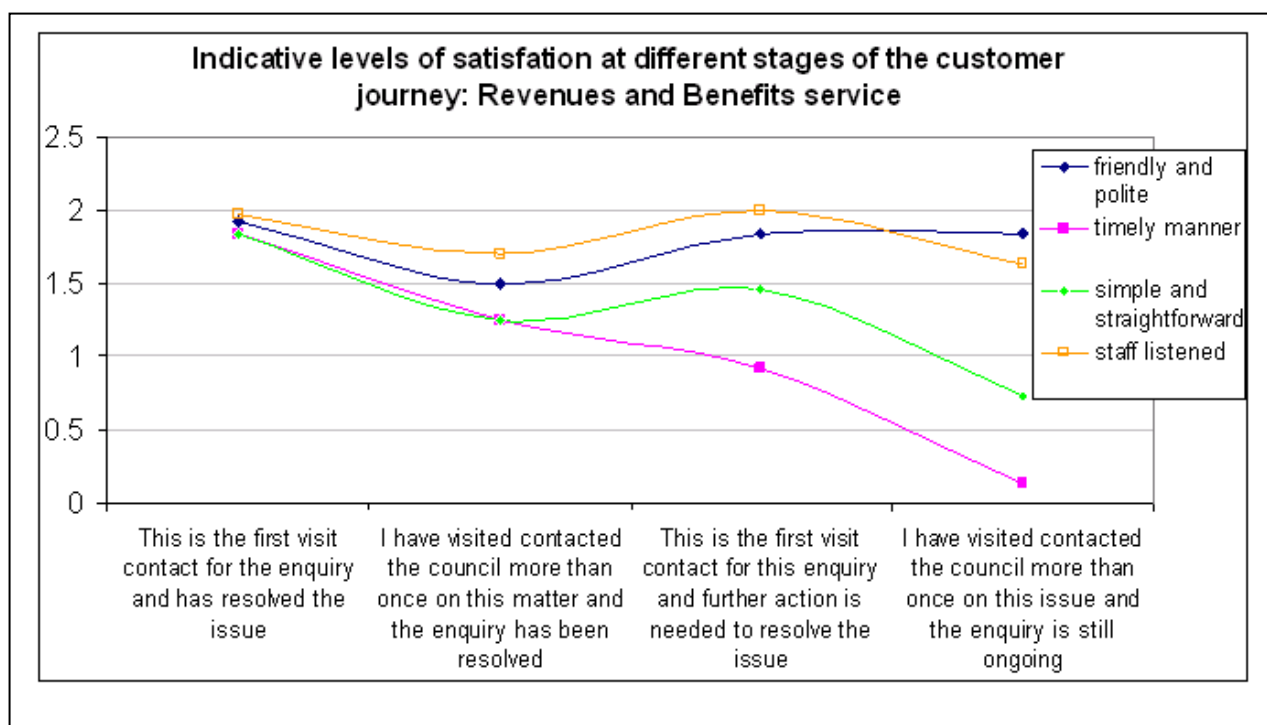
- **Touchstone - summary of customer views**

The chart below shows that customers rated their contact with staff more highly than their experience of the process. Indicators of customer satisfaction relating to contact with staff ranged from 93% to 78%, whilst those relating more to process ranged from 65% to 37%.

The majority of customer comments on staff were very complimentary with staff seen as polite, friendly, helpful and understanding.



The chart below shows that customer satisfaction with process issues declines significantly over time, where customers are needing to contact us more than once and their enquiry is still ongoing.



The lowest ratings were for timeliness and being kept informed. Common themes for customers included:

- not knowing what was happening with their claim or how long it will take
- feeling stressed by claims taking a long time to process and worrying about outstanding rent or Council tax
- being passed from one department to another or their problem being passed on to another department
- that staff knew what they were doing but the process and forms were confusing
- a lack of consistency with experiences vary depending on member of staff or in relation to the different benefits
- customers found benefits letters confusing and contradictory
- customers contacting us repeatedly to find out what is happening with their claim.

Caseload analysis and customer contact data

There was an increase of 14% in housing and Council tax benefit claims between 2006 and 2009, and an increase of 26% in Customer Service Centre contacts for the same period. This is based on the volumes of customer contacts and live claims for the month of October each year.

35% of all CSC calls relate to Revenues and Benefits. Of these calls, 71% are from customers who are chasing progress, asking for clarification or making changes. In 2008/09, the total customer contacts for Housing and Council Tax Benefit came to 62,504 – made up of 33,010 phone calls and 29,494 visits.

6. Current service position

Current pressures on the Revenue and Benefit services

- The local impact of the credit crunch has resulted in an increased number of customers accessing Council services. This includes a significant increase in the benefit caseload and customers requiring help and advice in paying their Council tax and business rates.
- There has been a 140% increase in this level of activity as a result.
- The need to meet challenging national and local performance targets.
- The Channel Migration Strategy shows that an increasing proportion of the Council's customers are under economic pressure and that more are now in need of assistance. In addition, staff are finding that they need to spend an increasing amount of time on individual customer interactions as customers' problems are now increasingly complex, and this is linked to the 'different type' of customer who have never claimed before and do not understand how the benefits system works.
- There has been a 9.1% increase in caseload (number of claimants in October 2009 v October 2008). Previous year-on-year increases have been between 1% and 2%. Please see Appendix D for an analysis of housing and Council tax benefit claims for the last 4 years. Highlights include a 28.5% increase in claims from private tenants which equates to a 30.1% increase in the value of payments made to them – totalling £10.2 million in 2009 compared with £6.3 million in 2006.
- Of the 9.1% increase in caseload, 12.6% are increasingly complex cases, adding about a third to the processing time. This relates directly back to the 'different type' of customer mentioned above – namely first generation homeowners with high levels of consumer debt, older professionals who have been made redundant, and upwardly mobile people claiming for the first time.

The longer-term impact and changes go wider than the current economic situation, and include:

- The borough's population is expected to increase by 6% by 2011 and 31% by 2021 which will create more demand for Revenues and Benefits services.
- The time it will take for claimants to return to the wage levels they experienced before the recession.
- We are experiencing year-on-year reductions in the Revenue Support Grant and the Benefits Administration Subsidy, despite an ever-increasing workload.
- Potentially, savings could be matched by a reduction in subsidy/grants, and therefore there would be no net budget saving to CBC.
- For 2010/11 we have been notified of a reduction in our Administration Grant of £70,000. This is income lost to the Council. Cabinet has agreed to allocate an additional £70,000 to the Service in its 2010/11 Budget as one-off funding. This will allow the Service to implement the recommendations of this report which will recoup this funding, plus considerably greater savings from 2011/12 onwards. This means however that the full savings from the project will not be translated into an equivalent saving in the Council's net Budget.

How Revenues and Benefits works currently and what it costs

This section gives an overview of our performance, our people resource, the numbers of customers and workflow.

Current performance

The service performance overall is on target – see half-year performance report to Strategic Overview and Scrutiny Panel 9 December 2009.

In January, Resource Management was the first of our services to achieve the new Customer Excellence Standard following an independent assessment. This Standard replaces the Charter Mark, which the service has held since 1994.

However, there are concerns around speed of processing and increasing pressures on teams due to volumes, population changes and the economic situation. Three-quarters of new claims where the claimant has provided all necessary information are processed within 7 calendar days of receipt. Where delays are experienced this is caused by having to 'chase' the claimant for information. The latter cases have a disproportionate effect on the figures for average processing time.

The key indicators for Revenues and Benefits are shown in Appendix D.

The focus is on quantitative measures as the national focus for these services is about 'the numbers'. The measures are not focused on the customer – so the in-service focus for performance is very much about processes.

Current resource commitment

A current profile of activity, resource allocation and spend is summarised here:

			**	<u>Other</u>	**
Activity	Notes	<u>Resource</u>	<u>Staff</u>	<u>Direct</u>	<u>Direct</u>
		<u>Commitment</u>	<u>Cost</u>	<u>Cost</u>	<u>Income</u>
		<u>FTE*</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
CSC		15.1	337.4		
Assessments		27.6	735.2	46	1
Fraud and Visiting		7	209.7	8	
Billing		5.3	136.5	144	259
Enforcement		3.6	87.3	9	367
Control		4.9	125.4	124	2
Admin and Scanning (now corporate)		8.7	196.2	189	6
Team Leaders and Managers		12.6	501		
Total		84.8	2,328.7	520	635

* fulltime equivalent staff

Current customer numbers and flow of work

The service, including the CSC, handles a total of 165,500 customer contacts a year:

Total customer contacts	By service area		
165,500	Revenues – 83,000	CSC	61,256
		In-service	21,744
	Benefits – 82,500	CSC	62,504
		In-service	20,000

Within both services, this shows a significant amount of work being received direct into the back office – this is 41,744 in-service customer contacts.

Of the total number of contacts, the resulting amounts of work are as follows:

	Number of customer contacts	Resulting in work (new or changes)	Potentially avoidable	Difference as %
Benefits	82,500	45,000	37,500	55%
Revenues	83,000	55,000	28,000	65%
Total	165,500	100,000	65,500	

This chart shows that 65,500 contacts do not result in a new piece of work or change to the existing work – namely 37,500 in Benefits and 28,000 in Revenues. This means that these 65,500 contacts could potentially be avoidable.

7. The future

The proposals for the new service are presented as 3 themes of work:

- How it works (customer journey and process)
- Enabling change
- Service delivery.

There are many interdependencies within and across the 3 themes with the full business benefits only being realised at the point of full implementation.

The business case describes the journey of change to how the service works, what needs to be in place to enable the change to happen, and then how the service itself is delivered.

There is significant opportunity to both improve the customer experience and reduce the cost of the service, one example being the 65,500 customer contacts identified in the initial business case that did not result in back office work.

THEME 1 - How it works

Many opportunities have been identified to improve both the customer journey and the service efficiency and effectiveness.

Within this theme of work are 3 work packages:

- Customer information
- Risk assessment
- Moving more upfront.

CUSTOMER INFORMATION

By providing our customers with clear and accessible information we will decrease volumes of work, educate and enable customers to use appropriate channels, decrease duplication and rework caused by unclear communication.

This work package also focuses on improving customers' understanding and involvement through education, and using customer insight to identify the best use of education resources. In benefit claims we have identified an opportunity to increase who else can help which will involve partners working with our customers to complete an online benefit calculator and subsequent claim form if they qualify.

Overall we are aiming to discourage customers from taking unnecessary journeys through a process that they do not qualify for by education and clear information. Communication generated from within the service will be clear concise and accessible. We will provide the tools and the training to partner organisations to ensure customers can be helped through processes they qualify for online.

A range of channels will help to offer the variety and choice which our customers need and expect. Our customer base is increasingly diverse – some people will always prefer an assisted journey with a person speaking to them, whether that is face-to-face or phone; but others want a ‘no touch’ option such as e-mail or online self-serve at a time of their choosing.

The Touchstone project highlighted customers’ frustration with having to make repeated contact with us to find out what was happening with their claim or query. While more than 85% of customers were happy that staff took adequate time, listened, were friendly and polite, and treated them fairly – only 37.7% felt that they were kept well-informed.

A customer currently has to contact us 4 times about their case on average, rather than just once. Having to make repeated contacts and feeling uninformed about progress can be difficult and stressful for customers, and is also an additional pressure on staff resources and their ability to help the customer.

The chart on page 11 of this report shows how customer satisfaction declines significantly over time (also see appendix C). This is followed by the common themes for customers including finding our process and forms hard to understand, and our benefits letters confusing and contradictory.

The Mosaic project shows that the profile of our customer base has changed. The ‘new’ groups - owner-occupiers with large amounts of consumer debt, and well-educated single people or childless couples, often living in newly-built private housing estates - have changed the overall profile of our customers. Phone or e-communication such as internet and online is their strong preference for contact – they do not want to visit our offices or read printed leaflets.

Business benefits

- promotes self-help
- reduces queries
- reduce duplication
- reduction in assessing unnecessary claims
- reduce footfall in CSC
- collaborative approach with stakeholders
- focused effort
- will not use ‘blanket’ approach to customers
- better access to services
- clear, concise literature
- interactive website that guides customer through the process.

The numbers

The initial business case identified that 165,500 revenues and benefits contacts each year are made by customers across the service and the CSC. Of these, 65,500 contacts did not result in an item of work and could therefore be avoidable. All of the opportunities identified in customer information directly reduce avoidable customer contact. Please also see Appendix E.

Implementation will reduce overall customer contacts by 65,500, leaving 100,000 contacts linked to items of work to be processed.

The difference in channel usage from As Is to To Be is shown in the table and bar graph below:

Channel Management

Channel changes overall - indicative			
	As Is	To Be	Difference
Phone	81000	22600	-58400
Face to Face	21000	2700	-18300
Online - no touch	4300	36000	31700
Self-serve @ CSC	0	11600	11600
Visit	600	600	0
Post	40000	8000	-32000
DWP	15900	18500	2600
3rd Party	2700	0	-2700
Total changes	165500	100000	65500
Percentage change			Total 40% decrease

Channel changes - overall summary

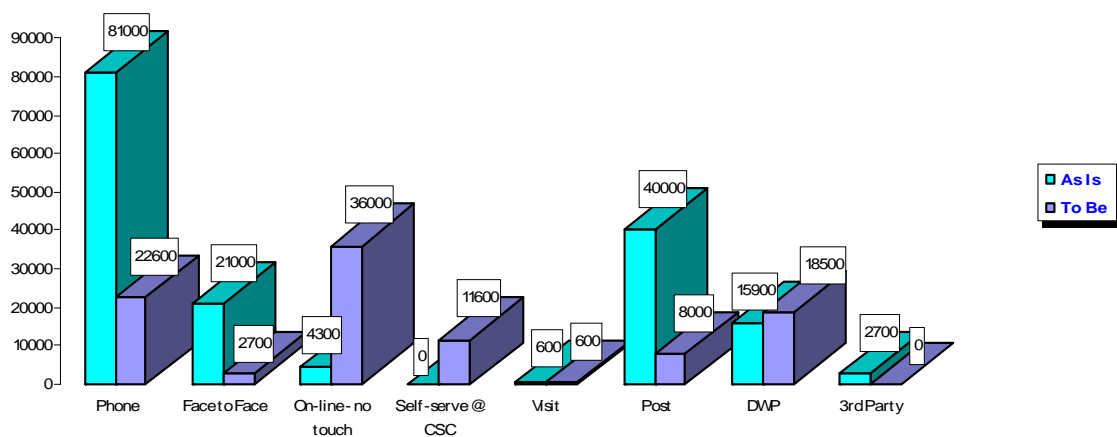
- 72% decrease in phone calls
- 8-fold decrease in face to face contact
- 8-fold increase in online contact
- 11600 switch to self-serve at CSC
- No change in visits
- 5-fold reduction in post
- 6% increase in direct contact from DWP
- 100% decrease in third party contact (switch to online/self-serve)

Total change

40% reduction in contact

Channel Management

Channel changes overall - indicative



In addition, processing work in the benefits team will be reduced by 26% as non-qualifying claimants will not enter the system at all. This will be due to an online calculator being completed prior to the online claim form that will identify the non-qualifiers before the claim reaches the benefits team.

	As Is	To Be
Claims entering benefits system	9,646	7,146
Claims with benefit entitlement	7,146	7,146
Claims that do not qualify for benefit	2,500	0*

*In the 'To Be' world, it will not be possible to access the claim form without the claimant or an advocate working their way through the online calculator first.

The money

Savings

Customer information work package – opportunity for savings	
opportunity – gross	£170,992
Cost to implement*	- £42,000
Net saving =	£128,992

*note – this does not include the internal programme management resource as this is part of our corporate priorities discussion. If internal resource is not available we will need to increase the £42k cost

The £170,992 saving opportunity from improved customer information is:

- £19,811 gross saving due to 26% reduction in volume due to non-qualifying claims. (As-Is – even though the claims did not result in a payment, they still absorbed benefits officer time to review the case, input in the system, update case notes and finally notify the customer)
- £151,181 gross saving through eliminating the avoidable customer contacts across both revenues and benefits.

Implementation costs

IT Costs

- interactive online presence simplifies and guides customers through the process - including FAQs and system-generated alerts to prompt customers to update their case information
- systems connected to third parties
- clear letters to customers
- automated phone routing (eg press 1 for claim).

This is based on the assumption that Connected Customer (including case tracker) will be a corporate ICT cost, and is therefore not included in the work package numbers. The basis for Connected Customer is currently being worked up into a business case for consideration by Senior Management Team.

Internal Resource

- training
- liaison with partners
- project to deal with design of all communications.

External Consultancy

- to show best use of templates
- aid web design.

Internal Project Resource

- to educate staff and stakeholders about channels for claiming.

How the approach will work

- targeted information
- redesign of communications
- better signposting
- the Council website will be more interactive and provide solutions for the customer without the need to contact the Council.
- frequently asked questions (FAQs) to give information to customer
- online calculators – incorporating interactive questions and solutions for staff and customer
- tracking system so customer will always know at what stage they are at
- tailored online forms.

RISK ASSESSMENT

Prevention of fraud and ensuring data accuracy is high on the list of priorities for the Revenues and Benefits service. Government grants and subsidy can be affected by inaccuracies, non-compliance and fraud recovery can also earn income. A result of this and legislative rules, there is a 'one size fits all' approach to provision of evidence and levels of verification of evidence provided. Risk is not assessed upfront on an individual customer basis and asking for the right evidence and waiting for it to be provided is the main reason for delays in claims being processed.

The key element enabled by technology is real-time verification software. This scores risk at the end of the assessment and will request an appropriate level of evidence for the customer. The net effect will be significantly less evidence needed overall (potentially none for low risk categories), which removes a large percentage of delays and aids automation and self-serve channels. Fraud resources are also more targeted toward high risk cases therefore more effective. This project has been piloted at 2 authorities and is being extended and developed.

The Touchstone project (appendix C) showed that 37.7% of those customers felt that they were kept well informed throughout the process. Common customer themes were 'feeling stressed' by claims taking a long time to process and worrying about outstanding rent or Council tax bills, and that they were being passed from department to department.

Business Benefits

- no multiple contacts for evidence
- reduced contact with CSC
- reduced processing time
- claim more responsive to customer
- more appropriate evidence
- no duplication (providing evidence to several bodies)
- complete claims coming in as verified by RSL
- gateway remains secure.

The numbers

Two Councils have piloted risk verification software on benefit claims.

Statistics from Lambeth and Glasgow suggest that the risk profile is:

- 57% case volume – low risk. This means that potentially no evidence is required so low risk cases could be assessed over the phone with the customer
- 20% case volume – medium risk where evidence is gathered and claim assessed
- 23% case volume – high risk. At this point the case is put into the visit channel where the evidence can be gathered at home, and also potentially assessed given the mobile assessment opportunity.

Our numbers are based on applying low, medium and high risk ratings to new claims only. There is the potential for further savings if applied to changes of circumstance as well.

The money

Risk assessment work package – opportunity for savings	
opportunity – gross	£60,000
Cost to implement*	- £37,000 set-up plus £17,000 on-cost
Net saving =	£23,000 net saving in year 1

*note – this does not include the internal programme management resource as this is part of our corporate priorities discussion. If internal resource is not available we will need to increase the £37k cost

Savings

Total gross saving for new claims across risk and more upfront is £78,927; therefore risk verification software delivers 76% of the gross saving for new claim processing.

Risk software is also a major enabler for the more upfront package which is set to deliver a gross saving of £447,631, by enabling channel switching where for example, low risk claims can be assessed at first customer touchpoint.

By completing high risk claims via visits, efficiencies can be gained by gathering all information and evidence at one point. Currently 23% of claims processed are defective, ie no payment is made due to a deadline being reached before claim is completed. This causes inordinate numbers of queries for the CSC as well as avoidable rework time for the assessment team. Risk assessment, along with better customer information and education, and more done upfront will substantially reduce this 23% statistic, and will deliver the process efficiencies and cost savings set out above.

23% of potentially valid claims would now be paid, as they did not become defective. We would therefore be increasing the overall benefit paid out by the Council to customers. This would help us to achieve our life opportunity goals for customers – opening the benefits system up to a wider number of people, who need this revenue stream to maximise their income sources.

Implementation costs

IT Spend

- Risk and Verification Portal software - £35k year 1 and £17k annual cost thereafter.

Internal Resource

- collaboration with stakeholders to set-up initial process/procedures
- verification training for RSLs.

How the approach will work

- a risk analysis associated with the different processes
- a system that will identify whether the risk is high, medium or low to enable a judgement as to what evidence needed from the customer
- the risk to be delivered to the assessment in real time.

MOVING MORE UPFRONT

There is a significant opportunity to be realised by moving more work up toward the front of the process and/or the customer first point of contact. This includes enabling customers to self-serve, establishing needs at the first point of contact and giving expert advice at that point, completing benefit calculators online and fully automating claim forms leading to faster assessment and claim award.

The customer contacts and resulting back office work will be seamless and timely with all evidence or information required being present prior to being put into a processing environment. Enabling customers to self-serve has high levels of dependency on joined-up ICT, such as Connected Customer.

There are also significant opportunities to enable officers to work with customers at their home, in partner sites and community facilities and all of this enabled by technology. The key elements enabled by technology are: basic e-claim form, Connected Customer (self-serve), integrated achieve forms, full system access off-site and an Idox / Academy solution that is fully integrated.

The Touchstone project (page 11 and appendix C) shows how customers would benefit from more being done upfront. It would really help in addressing issues raised such as customers not knowing what was happening with their claim, how long it would take to get an answer, inconsistency and long processing times leading to stress and worry.

Business Benefits

- improved customer journey
- can resolve own issues (encouraging self-help)
- reduction in contact with the CSC – helps with NI 14 avoidable contact
- improved accuracy of information received
- reduced staff costs
- enhanced service
- immediate result
- quick access to information
- faster process
- reduction in reconsiderations/appeals.

The numbers

Benefits new claims

Standard Claims - 83% standard claims to be completed online (either by customer at home, customer with a third party) or self-serve at CSC. Guide customers away from sending new claims in via post (currently 57% volumes) – slower to process due to scanning and workflow process, documents can get lost causing peaks in queries, cost to return documents. To Be – online forms plus visits for vulnerable, high risk claims and also where the customers request a visit.

Benefits change of circumstances

8% reduction in volume. Mainly due to reduction in Nil Assessment Adjustments. These are changes (eg correction of name) that do not affect the payment amount. More upfront and Customer Self-serve will reduce basic inputting errors. There will also be a 50% reduction in Reconsiderations. Benefits changes (channel shifts) - 14% aided and processed where possible in CSC; 27% self-served at CSC or online at home.

Revenues

Scanning volumes – drop of 70,417 due to automated forms. Moves - 87% volume of moves being completed upfront, currently only captured upfront – CSC capture the change, update the system and issue the customer with their updated bill. Discount and Exemptions, Arrangements and pre-checking for reminders/summons runs account for the rest.

The money

Savings

More upfront work package – opportunity for savings	
opportunity – gross	£447,631
Cost to implement*	- £178,000
Net saving =	£269,631

*note – does not include the internal programme management resource as this is part of our corporate priorities discussion. If internal resource is not available we will need to increase the £178k cost

Benefits

£18,927 New Claims – relates to reduction in inputting time from the data in the e-calculator feeding through into the systems. Reduction in queries pending due to assessment only being started when all evidence is received.

£266,376 Changes - which include:

- £106,810 saving on changes forwarded by the DWP where processing time is reduced by 50% (from 60 minutes to 30 minutes) due to the ETD module which will pre-populate key fields reducing inputting time.
- £63,376 of queries resulting in a change that can now be actioned on the front line.
- 66% cost reduction (£45k) in handling changes over the phone where CSC can now action the system change in real time, compared to previously gathering information which was then sent to the benefits team to action
- The remainder cost savings are achieved through promotion of more self-serve options for changes – 27% to be handled either online or using the self-serve terminals in the CSC.

Revenues

£17,298 Direct Debit saving because done upfront (CSC can now complete and update the system in real time) or customer completes the form online which interfaces directly into the system. Currently 69% handled via CSC who capture data which is then passed back to the control team to effect the change.

£69,536 Scanning - saving due to move to e-claims/forms and automatic loading forms into Idox; reduced volumes due to lower evidence required and more items being processed upfront therefore reducing volumes passed to back office.

£75,495 Change of Circumstances – 70% due to moves (£52,489) with the remainder attributed to arrangements discounts and exemptions. This saving is from moving more upfront, enabling the frontline officers to gather the information and update the relevant systems in real time. Currently the information is gathered and sent to the Control and Billing teams to effect the change.

Implementation costs

IT spend

- to enable home visits
- software to enable self-serve
- freephone
- Connected Customer
- hardware – scanners and barcodes to manage gathering and routing of evidence
- Decision Tree – support frontline officers in terms of providing expertise and ensuring consistency amongst staff dealing with customer queries.

Internal project resource

- to manage change/engage staff
- to promote self-serve
- to monitor the movement of resources from Revenues and Benefits to CSC
- interactive IT system to provide expertise to 'skill' staff
- training to multi-skill staff
- one system log-in to promote flexibility.

The review assumes that the redesign of the CSC will incorporate self-serve areas and the technology – and any associated costs - are not shown here.

How the approach will work

- an intelligent form that will record all information relating to Revenues and Benefits
- integration of intelligent online forms with Capita and Idox
- hub of self-serve terminals will be available in the CSC
- assisted self-serve
- experts on the frontline to answer more complex queries
- floorwalkers available to assist customer with self-serve
- staff able to deal with a query and assess at the same time either face to face or over the phone.

THEME 2 – Enabling change

In order to deliver the proposed changes and realise the significant benefits, effort and attention has to be paid to the enabling theme. This will require a joined-up corporate approach to prioritising work, particularly around ICT who will have significant involvement as the business case and strategy evolves.

Within this theme of work are two work packages:

- Joined-up ICT
- Cultural change (organisational readiness).

JOINED-UP ICT

ICT has featured heavily in many of the opportunities, both customer journey and process-related. The current ICT strategy has delivered many benefits to the service overall, funding the e-claim specifically and delivering a flexible working solution that officers can use to work in people's homes, partner sites and in the community. It is recognised that there are improvements still to be made.

The development of a new ICT Strategy is about to start.

Within existing processes and work practices there are problems ranging from small quick fixes to large corporate solutions required. Many of the problems translate into access to programme, project or supplier consultant expertise.

On the positive side many of the solutions are not new software or products – they are more about better use of or sharing of existing expertise and solutions. This has also been reflected in the experiences of FSRs in Planning, Protection and Licensing and in Housing.

Corporate Solutions

FSRs are focused on delivering significant improvements in the customer experience, efficiency and effectiveness, and we have identified a joined-up approach to ICT as a key enabler.

Requirements include enabling customers to self-serve, facilitating information sharing between services and partner organisations, having a single view of the customer, improving workflow, reporting capabilities and the functionality of our communication channels. (A detailed summary of the links between the opportunities identified, the ICT requirements and the benefits of the joined-up approach is included in Appendix F).

At service level, progress can be made towards implementation using existing solutions. However, opportunities such as the full introduction of a risk-based approach would also require investment in Risk and Verification Software.

It is apparent from this and previous FSRs that many of these ICT solutions are also required within other service areas, and there are many interdependencies between the different ICT solutions. Delivery of all the necessary ICT requirements to deliver the full business benefits is unlikely to be achieved by the services in isolation, but be dependent on corporate solutions and approach to joining up ICT.

Business benefits

In line with the FSR approach, the benefits of a joined-up approach to ICT for the Revenues and Benefits Services are summarised below:

Customer

- enables customers to self-serve or complete form at first point of contact
- one single view of customer, less duplication, easier to share information
- channels, services and information targeted to customers needs
- customers get decisions more quickly, journey less stressful
- reduced likelihood of debts accruing.

Efficiencies

- reduction in contact levels, fewer repeat enquiries, less duplication of effort, information and resource
- effort released and targeted where needed
- savings from eliminating paper forms
- improved end-of-year process resulting from customer choice of payment profile
- fewer overpayments, lower recovery costs.

Effectiveness

- joined-up approach between back and front office, maximising the expertise of both CSC and service staff at the front end
- helps reduce need for contact with other CBC services such as debt, rent arrears recovery, housing advice or partner organisations
- customers to play a pro-active role in managing claims and updating information.

The numbers

All of the numbers relating to numbers, efficiencies and percentage reductions are incorporate within the 'how it works' theme.

The money

A significant capital investment associated with ICT for improving revenues and benefits service delivery, and for generating revenue savings is required. The extent of the capital investment is yet to be determined fully, although working figures have been used to scope the opportunities.

Corporate ICT is evaluating the detail as this proposal is being developed. The implementation planning will include firmer costings for each ICT improvement.

What the new approach will look like

The detailed requirements from this and other reviews could be grouped into key themes which form the basis for a programme and project-based approach with a clear focus on the business solutions required to improve the customer experience, efficiency and effectiveness.

Identifying the ICT enablers for each business solution will enable us to identify delivery priorities and investment needed across the Council to delivery its business solutions.

Suggested themes include:

- Channel development, implementation and promotion

Maximising use of resources to give customers the ability to use a communication route which best meets their needs and preferences. Helps to ensure customer experiences the same high levels of service and delivery however they choose to contact us, improve customer satisfaction, achieve efficiencies and manage the increased demand for access.

- Web development

Key to improving customer information, enabling self-serve options and a joined-up approach to service provision.

- Systems development, integration, access

Key to ensuring information can be shared across Council services, enabling process and workflow improvements, enabling customers to 'tell us once' in line with central government's initiative. Increasing emphasis on joined-up, partnership working, efficiency, and personalisation places greater emphasis on the need to be able to share information across service and organisational boundaries.

- Personalisation

Enabling services and information to be tailored to customer's needs, interests and preferences in line with their expectations of excellent customer service. This means needing to provide information only once, having one customer record which can be viewed by customers and staff, customers being able to adapt/customise their 'home page', preferred mix of channels and update personal information. Up-to-date customer insight is needed to enable this

- Workflow

Efficient workflow is key to process improvement, avoiding double handling, improving customer journeys and reducing the total time it takes to deal with a piece of work or customer enquiry. It also helps to make processes easier to manage, improving ability to identify problems and build in appropriate controls

- Data management

Consistency of reporting, avoid unnecessary reports, collecting or retaining unnecessary information. Ensuring openness and transparency through freedom of information and protecting personal data. Intelligent reporting – targeted reporting to ensure efficient and effective performance management, particular around key issues such as channel management and customer experience.

- Payment methods

As with any other channel, our payment methods need to enable customers to pay in the way they choose but also balance this with the Council's need for efficiency. Need to effectively manage changes in technology and the wider environment such as the abolition of cheques by 2018.

- Procurement

A joined-up approach across the Council or with other organisations would help to ensure an efficient and effective mix of systems and products avoiding duplication of effort, costs and resources in terms of research, procurement and introduction of new systems or adaptations/upgrades to existing systems.

- Stakeholder management

Is key to developing and implementing an effective ICT strategy, achieving buy-in and securing the necessary resources. It also provides the potential to maximise the use of knowledge and expertise of stakeholders.

How the approach will work

- Fundamental Service Reviews identify ICT requirements
- Requirements form the basis for work packages, which form the basis of a Corporate ICT Strategy
- Strategy Development and implementation sits within the Way We Work programme
- Corporate ICT Strategy should be developed by cross-service project teams with the engagement of internal and external stakeholders to ensure that customers really are at the heart of service provision across the Council.

CULTURAL CHANGE

Officers within the service and the CSC will require support, coaching and some training and development in order to effectively deliver the service being designed. The shifts toward more upfront will mean officers who have been working in a transactional performance-driven culture will have a shift in emphasis towards their customer-based skills, and existing customer-facing officers may need to develop deeper service knowledge to help a customer further into a process.

There is an existing culture of 'skills silos' as Revenues and Benefits are split. Even within Benefits, officers work in specific areas so for example visiting officers will have a high level of customer-facing skills, but less knowledge of assessment.

There will be a greater degree of multi-skilling not only across the service but potentially cross-services as well in the longer term.

The cultural change programme (Way We Work) has a strand of work dedicated to 'people' from within which support will be sought.

Managers will also require help, support and coaching to manage change for themselves and lead change with their teams.

There will need to be a change management programme to ensure a smooth and successful transition. The previous FSRs have both faced people and culture challenges, and have used HR Business Partners for the support required in change, consultation and recruitment processes. It is important that a transparent, fair and consistent approach is used, and that learning is transferred across reviews.

Such fundamental change does give services the opportunity to address any existing issues such as any grading discrepancies or competitive pay arrangements - either external or internal.

Business benefits

- faster, smoother implementation
- achieve and sustain the change
- supported, valued people skilled to deliver their services
- efficient service delivery, making best use of resources
- cross-Council working delivering high quality, customer-focused service within efficient, effective customer-centric structures
- focus on performance by improving the customer journey.

The money

A budget for training, coaching and development to support the implementation plan will be built into the overall costs as they emerge.

How the approach will work

- change management plan for taking people (team and managers) through the implementation
- support from HR Business Partners in any reorganisation and structural design, ensuring learning is carried across from previous FSRs
- the training and development plan for ensuring that people have the right skills for multi-skilled roles
- staff will work across services to bring customer queries together, for example Housing and Benefit issues would be addressed as a whole to help the customer and put them at the heart of the solution
- there is a need to increase people's trust and confidence in the technology itself, and develop their skills to use it
- flexible working enables staff to work in different ways, different locations and at different times to suit customer needs, and to better match their work/life balance
- the Way We Work change programme will continue to keep 'our people' and 'our customers' as key themes, building on the successes to date.

THEME 3 - Service Delivery

How the service is delivered and by whom is integral to this FSR. Once designed, the 'how the service works' theme requires a delivery model.

The project team has worked on outlining views on pooling, centre of excellence and outsourcing models. Internal service delivery design will include a management structure based upon the 'TO BE' service design.

The delivery model is designed to ensure that efficiencies are taken whilst the service is firmly internal. The incremental approach to implementation will ensure that the direction of travel is always toward improvement.

However, whilst assessing whether any major investment is required, this will be compared back to an outsourced cost model. This means that any major investment is always weighed up against the alternative of using an outsourced delivery model, therefore saving the investment needed.

This theme has two work packages:

- Internal refocus
- External options.

INTERNAL REFOCUS

There are two main features to this section of the business case.

Firstly, what the new service should look like to deliver the 'how it works', and how that service delivery is managed both in terms of the number of managers and where the accountability is for the customer experience. The delivery of revenues and benefits has to be seamless across both the service teams and the CSC.

Support functions will be grouped and merged into one team as a Professional Support Unit (PSU), in line with other FSR structures in Planning, Protection and Licensing (now Environmental and Protective Services) and in Housing.

This approach ensures that efficient support is available across the front and back office within Revenues and Benefits – with longer term opportunities to look at PSUs on a more corporate basis. The elements of the PSU would include ICT, control, central scanning, communications, admin, training, project support, and FSR implementation.

Secondly, there is an opportunity to take a more joined-up approach to corporate debt and look to pull Council officers who deal with other debt issues together. From a customer view, this will provide a joined-up Council debt plan to address all of their Council debt issues. From an organisational viewpoint, it will focus resources on a customer – 'one Council: one debt', not 'many debts: many Council contacts' – where currently lots of duplication of effort and officer time is spent, with multiple appointments made and so on for different debts being dealt with separately.

Business Benefits

- reduction in staff/management costs
- shared resources
- reduced duplication and officer time
- quicker turnover (no waiting for another team to deal)
- single point of contact
- consistent response
- simpler organisational structure
- better accountability
- streamline procedures/processes
- staff able to follow case through to completion
- customer-driven process
- better co-ordinated approach to debt
- consistent and targeted enforcement.

The money

Internal refocus will include a new service structure which is anticipated to reduce the number of staff and managers. Management savings are not shown in this report as structure remains in the design phase.

The corporate debt team is expected to be cost-neutral as a minimum, but requires further cross-service work.

Internal restructure is dependent on both the enabling work packages being delivered, as roles will change significantly for example team leaders will only have capacity to increase their training responsibilities if Idox issues are fully resolved.

Work is underway to firm up the opportunity to restructure. The views of Leadership Team will be sought as this work evolves.

The training function which is retained in service will deliver a £50,000 saving and is an implementation dependency, as such fundamental change will create a training need.

How the approach will work

- a single generic Revenues and Benefits team that will see the process through end to end
- reconciliation, system queries and the testing of new software/releases will be dealt with by single team within the PSU
- automatic indexing done using barcodes/OCR
- training co-ordinator role will be introduced based within the PSU
- Revenues, Benefits and CSC Team Leaders will attend training courses and cascade training to staff
- use of external trainers to deliver training to larger groups and invite any organisations to attend to offset costs
- to bring together debt collection in a structured, customer-focused and efficient team.

EXTERNAL OPTIONS

The medium-term opportunities to outsource work have been identified at this stage are:

- Council tax 14 day letters
- Business Rates (NNDR) administration.

The intention once the service design is complete is to cost an equivalent service via an external provider to gauge the opportunity. All efficiencies will be taken prior to any outsourcing arrangement being considered. Meetings have and continue to take place with third-party providers both operationally and strategically, to gather information and learning about best practice and alternative models.

Experience to date has shown no immediate service improvement can be delivered by an outsource partner arrangement. The Council's Revenues and Benefits technology is potentially ahead of the outsource providers, although they are looking at technology improvements along the same lines identified in the review.

The overriding reason for looking to an external provider at this point would be to save any upfront investment required to deliver the full savings. It should be noted the investment would also enable other services to deliver a more efficient customer-focused and effective service.

Sharing services and CBC Centre of Excellence are longer term opportunities, where research has indicated a leadtime of 18 months. However both models will be considered as internal service delivery is costed.

8. Risks

The following list of risks will be verified and added to at the engagement events in February where staff, managers and stakeholders (internal and external) will be asked for risk within implementation on the proposed service design:

- align corporate ICT priorities and costs
- skills, capacity and availability of resource for programming changes and then delivery of the programme
- join up Revenues and Benefits seamlessly – expressly the frontline and processing aspects of the service
- culture change on how we work at all levels, especially when cross-service working is to be achieved
- change of skill-set requires time – changing from a technical focus to customer skills, and customer-skilled improving technical knowledge
- resource availability for implementation planning, and then for implementation
- the effect on performance and outcomes during transition – for example, while staff learn new roles and ways of working.

9. Next Steps / Implementation

The full business case has the following route for governance and approval:

Executive Management Team 19 January 2010
Senior Management Team 25 January
Leadership Team 3 February
Strategic Overview and Scrutiny Panel 2 March
Cabinet 17 March 2010.

Whilst the business case is going through approval, outline implementation planning will be undertaken by the project team with input from all stakeholders.

There will be a medium-term implementation plan to ensure there is improvement through 2010/11, although there will be a need for investment as well as delivery of the £48k budget savings.

Longer term implementation will be dependent on the delivery and timeline of the enabling work packages.

Revenues and Benefits Review - Full Business Case

Appendices – SOSP and Cabinet March 2010

APPENDIX A - Summary of 16 opportunities identified

APPENDIX B - Housing and Council Tax benefit - Caseload breakdown

APPENDIX C - Understanding the customer experience

APPENDIX D - CIPFA Benefits Administration Benchmarking Club 2009.

APPENDIX E – Channel Management

(APPENDIX F - Linking Opportunities to ICT Strategy – see separate Excel document)

APPENDIX A – Summary of 16 opportunities identified

The opportunities identified are under 3 headings:

- customer focus
- enabling change
- service delivery.

- **CUSTOMER FOCUS OPPORTUNITIES**

A1 - Customer Insight

We will use our current customer data and Mosaic modelling to target information for specific customer groups to broaden our understanding of our customer. By doing this we can direct resources better and deliver more relevant information in a more efficient manner. Through effective targeting we will change customer behaviour to encourage self-help and responsibility.

A2 - Clear Customer Information

We will create clear accessible information for our customer will ensure that we get the right information at the right time and avoid unnecessary contact. We will provide better quality letters and written material to make it a simpler and shorter customer journey.

We will have all our information available to our customers in a clear and accessible language, in a way that enables them to tailor this to their needs.

The Council website will be more interactive and provide solutions for the customer without the need to contact the Council. We will look at ways for customers to self-help by giving better signposting to other options via the website.

A4 – Channel Management

By adopting a proactive approach to managing the communication routes ie channels by which our customers contact us, we have a significant opportunity to improve the customer experience in a way which best reflects the diversity of their individual needs and preferences.

B1 - Who else can help?

We will work more closely with other agencies to avoid duplication of effort, information and resource. We will enable our stakeholders to help their customers by using the on-line forms on behalf of the customer.

B2 - Prevention/Place Shaping

This is about distinguishing between preventing avoidable contact and preventing/addressing the underlying needs through place shaping.

Place shaping looks at the borough having a solid economic base with good levels of employment, standards of living, life opportunities, and affordable decent homes – all of which help to reduce the number of people who have to claim. It also looks at our role in supporting customers through difficult circumstances and helping them to maximise their income.

C1 - On-line automated claims and assessment

We will create a self-serve culture where customers will be encouraged to access all their information on the website or in the CSC. The customer will be able to self-help by making their claim for their benefit, discount or exemption on-line as well as making payments and payment arrangements.

C2 - Risk Assessment

We will have software that provides a risk assessment at the point of entry of each claim to determine the likelihood of verification errors being present. This will give us greater control over what particular evidence the customer needs to give us that is proportionate and appropriate for the level of risk posed by each claim. This will enable quicker processing and payments for the customer.

We will also extend verification of evidence to third parties such as Registered Social Landlords (RSLs).

C3 - Mobile Assessment

We will enable Revenues and Benefit Officers to visit the customer in the home, to scan/index any evidence on site, and assess their claims. This has a link to self-serve and will mean reduced contact with the CSC as well as giving and quick efficient service to the customer.

E1 - Corporate Debt

We will create a corporate team to deal with debt recovery and enforcement. We will develop a consistent approach to the way we deal with our debtors and develop a fair debt policy.

- **ENABLING OPPORTUNITIES**

To deliver the opportunities and benefits derived from the Fundamental Service Review, there are two enabling factors:

- joined-up and effective use of IT
- change management for people and organisational culture.

F1 - IT Opportunities

- one single record for all CBC customers
- technology so customer can fully self-serve
- workflow definer in Idox to provide a effective workflow process
- an Idox test system to improve training and efficiency.
- achieve forms will be more robust and able to feed direct into back office systems - reduction in manual indexing
- forms completed on-line automatically update Capita systems (including LACI/LAIDS from DWP)
- an interactive system with built in expertise enabling more upfront work with customers and releasing capacity from the 'back' office – 'Decision Tree'
- interactive questions and answers enabling the CSC and the customer to resolve at first contact
- have user profile that would log you into all required systems
- barcodes/Optical Character Recognition software

G1 – People and Culture

We will support staff through the process of change to enable the delivery of the opportunities. We need to have effective change management in place, as service improvement will not happen unless the people and the culture change too. This is about building capacity and capability.

We need to 'keep an eye on the horizon' - an awareness of changes developing in the public and private sector, and see how we could use them as opportunities for CBC, its customers and its services.

Our people need to have the freedom to challenge processes, and be enabled to bring in changes, attitudes and practices which make sense on a daily basis. We need to bring people who 'get' the 3 drivers of customer, effectiveness and efficiency together to move things along faster and across services.

- **SERVICE DELIVERY OPPORTUNITIES**

H2 – Multi-skilled officers

We will enable our staff to be more flexible within our structure by making them multi-skilled. We will give them an interactive system with built in expertise enabling more upfront work with customers and releasing capacity from the 'back' office. The officers will be able to support the customer through their journey to its resolution

H3 - Service Structure

We will change the service structure to be more flexible and responsive to customer needs. We will explore the potential to work generically effectively pooling skills and experience. By linking resources and processes together we will give a more efficient service.

This will mean:

- a generic Revenues and Benefits team that will see the process through end to end
- one Case Officer to deal completely with the customer
- other similar services grouped together such as Benefits and Housing
- post opening done by one team
- training and policy functions to be spread throughout the service
- Control Team functions – such as reconciliation, testing of software done by one team
- experts on the frontline with the CSC and our internal stakeholders.

I1 – Centre of excellence

We will create a Centre of Excellence where we will provide a service to other local authorities. This will improve our reputation and boost the local economy.

I2 - Outsource

We will consider whether outsourcing all or part of the service will provide a fresh approach to service delivery. We will identify areas that could be included and think about the benefits or implications of this option.

I3 – Pooling of Resources

We will work more effectively with our partners to share resources and skills. This will enable us to provide a more flexible and proactive approach to changing priorities. We will be able to share intelligence to deliver a more efficient and effective service.

APPENDIX B – Housing and Council Tax benefit - Caseload breakdown

	October 2006	October 2007	October 2008	October 2009
Caseload HB and CTB	11 870	11 972 (1% increase)	12 592 (5.2% increase)	13 747 (9.1% increase)
HB	8 629	8 831 (2.3% increase)	9 369 (6.1% increase)	10 294 (9.8% increase)
CTB	3 241	3 141 (3% decrease)	3 223 (2.6% increase)	3 453 (7.1% increase)
Passported claims (1)	not available	not available	8 361	8 982 (7.4% increase)
Standard claims (2)	not available	not available	4 231	4 765 (12.6% increase)
Working Age claims (16-59)	6 424	not available	7 029	8 091 (15% increase)
Elderly claims (60+)	5 446	not available	5 563	5 656 (2% increase)
HB Working Age	5 734	not available	6 434	7 304 (13.5% increase)
HB Elderly	2 895	not available	2 935	2 990 (1.8% increase)
CTB Working Age	690	not available	595	787 (23% increase)
CTB Elderly	2 551	not available	2 628	2 666 (1.4% increase)

(1) Claims in receipt of Income Support, Job Seekers Allowance (Income Based) or Guarantee Pension Credit. (2) All other claims not receiving any of the above

Tenancy Types

	Oct 2006	October 2007	October 2008	October 2009
Council	4 171	4 129 (1% decrease)	4 165 (0.9% increase)	4 253 (3% increase)
Housing Association	2 176	2 228 (2.4% increase)	2 317 (4% increase)	2 542 (9.7% increase)
Private	2 313	2 474 (7% increase)	2 837 (14.7% inc)	3 646 (28.5% increase)

Council Tax

	Oct 2006	October 2007	October 2008	October 2009
Owner Occupiers	3 166	3 141 (0.7% decrease)	3 212 (2.2% increase)	3 456 (7.5% increase)
Tenants	7 382	7 526 (1.9% increase)	7 829 (4% increase)	8 710 (11.3% increase)

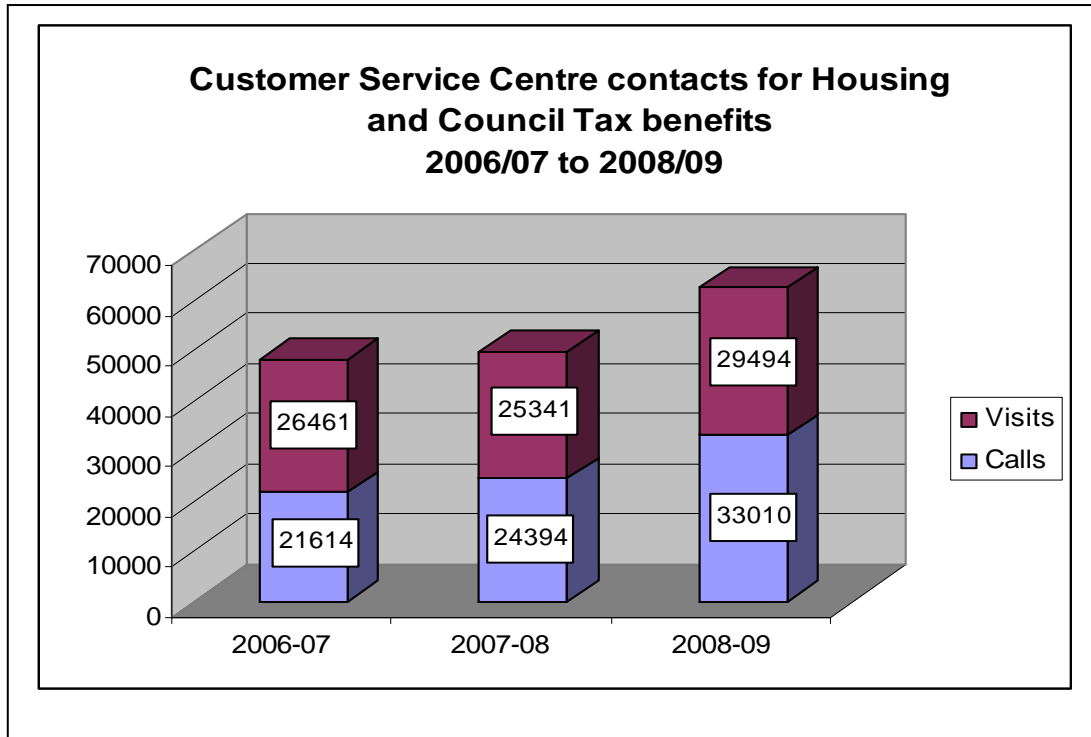
Value of Payments

	Oct 2006	October 2007	October 2008	October 2009
Council Tenants	£6 397 949	£6 705 264 (4.8% increase)	£7 227 224 (7.8% increase)	£7 529 305 (4.2% increase)
HA Tenants	£4 364 892	£4 326 826 (0.8% decrease)	£4 731 554 (9.4% increase)	£5 285 551 (11.7% increase)
Private Tenants	£6 364 318	£6 756 183 (6.2% increase)	£7 810 150 (15.6% increase)	£10 215 308 (30.1% increase)
Council Tax	£8 132 333	£8 544 591 (5.1% increase)	£9 213 573 (7.8% increase)	£10 350 986 (12.3% increase)

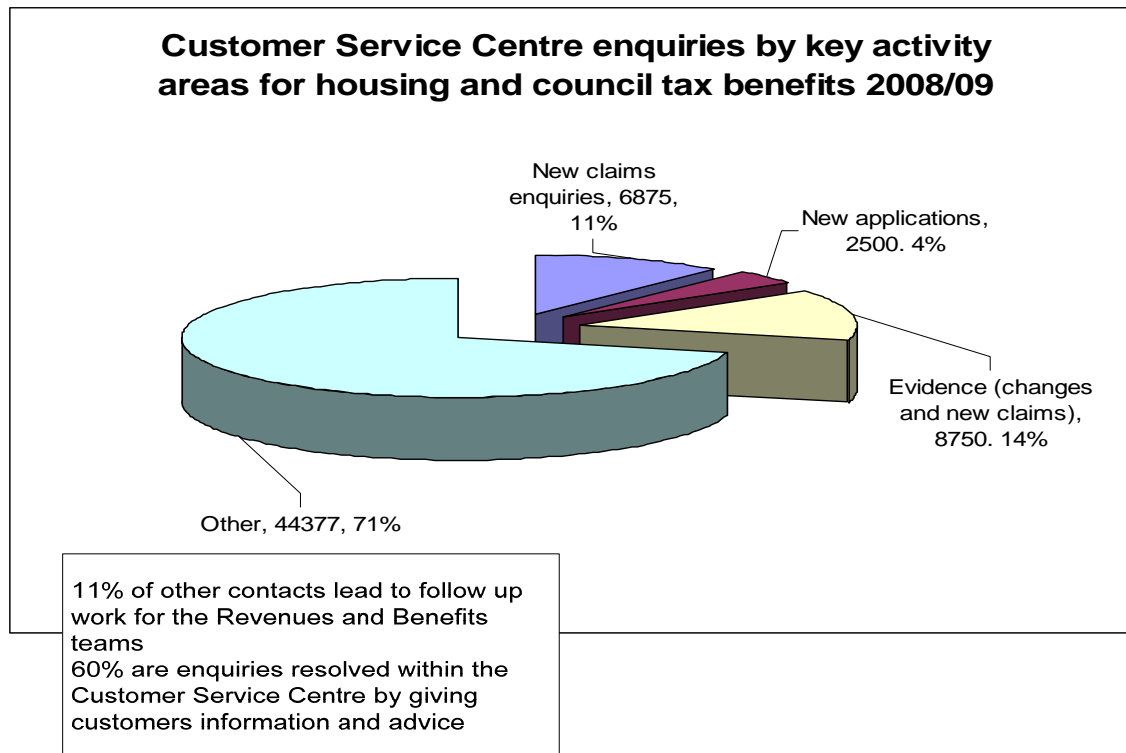
Total	£25 259 492	£26 332 864 (4.2% increase)	£28 982 501 (10.1% increase)	£33 381 150 (15.2% increase)
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APPENDIX C – Understanding the customer experience

The chart below shows a 23% increase in customer service centre contacts (visits and phone calls) from 48,075 to 62,504 between 2006/07 and 2008/09.



This chart shows the split of activities for the 62,504 customer contacts for 2008/09.

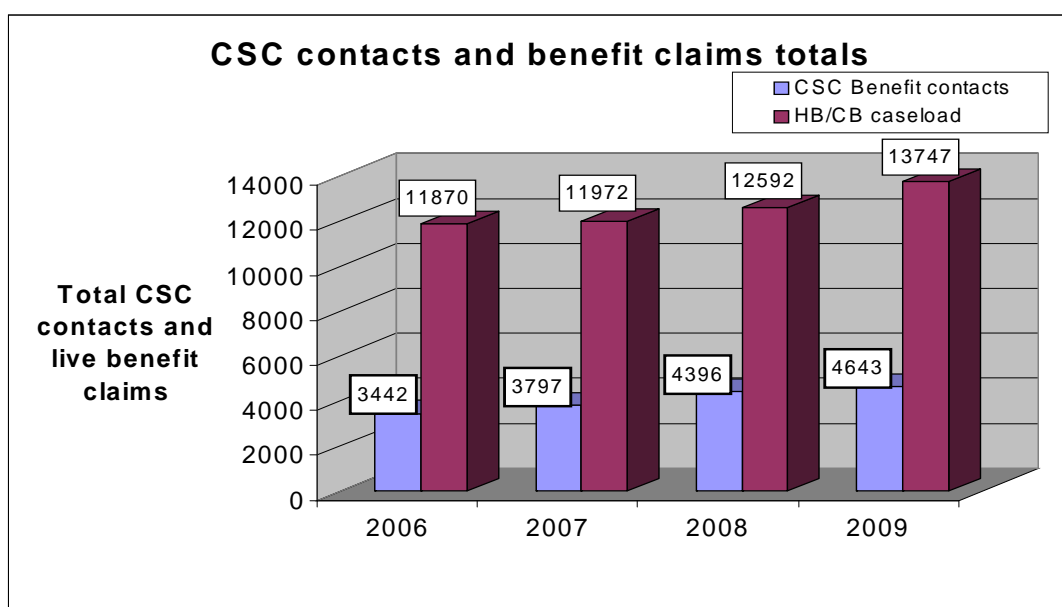


Our customer insight also includes Mosaic, Touchstone, caseload analysis and customer contact data.

The Council's Research and Engagement Team used Mosaic, a modeling tool, to help identify the key characteristics of our Revenues and Benefits customers and gain a better understanding of our customer base. A cross-service team carried out a Touchstone project in November 2009 with customers who had recently contacted the Customer Service Centre (CSC). The CSC ran a report on the caseload and related data.

Caseload analysis and customer contact data

The chart below shows an increase of 14% in housing and council tax benefit claims between 2006 and 2009, and an increase of 26% in CSC contacts for the same period. This is based on the volumes of customer contacts and live claims for the month of October each year.



The table on the right shows that 71% of CSC customer enquiries for housing and council tax benefit relates to other enquiries such as changes, clarifications or chasing progress. 35% of all CSC calls relate to Revenues and Benefits.

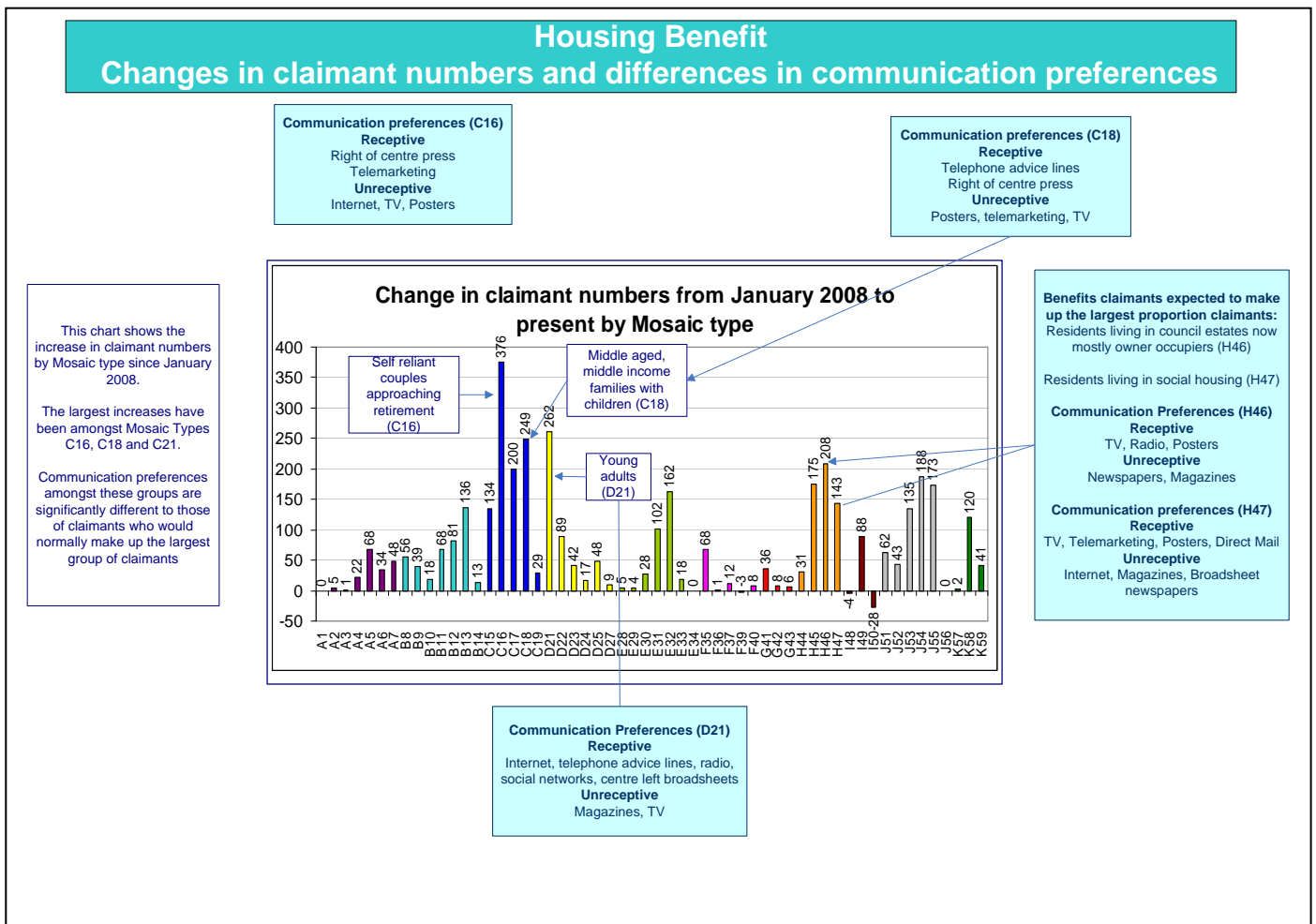
Customer Service Centre contacts for Housing and Council Tax Benefit

	2006-07	2007-08	2008-09
Calls	21614	24394	33010
Visits	26461	25341	29494
Totals	48075	49735	62504

Mosaic - analysis of claimant data

1. The key findings from Mosaic in terms of the overall profile of housing benefit and council tax claimants are:

- A significant increase in claims from customer groups we would not normally expect to be claiming benefits (see diagram below)
- An increasing number of proven fraud cases amongst owner occupiers with large amounts of consumer debt (Mosaic type B13). The same group also has the largest number of overpayments followed by residents living in social housing (H47) and other residents living on council estates (H46)
- Owner-occupiers with large amounts of consumer debt (B13) also account for the largest increase in the number of council tax summonses since 2008, followed by singles and childless couples.



Mosaic - analysis of Customer Service Centre contact data

2. The key findings from Mosaic in terms of the overall profile of customers contacting the CSC show a large overall increase in the numbers of customer service contacts for benefit related requests

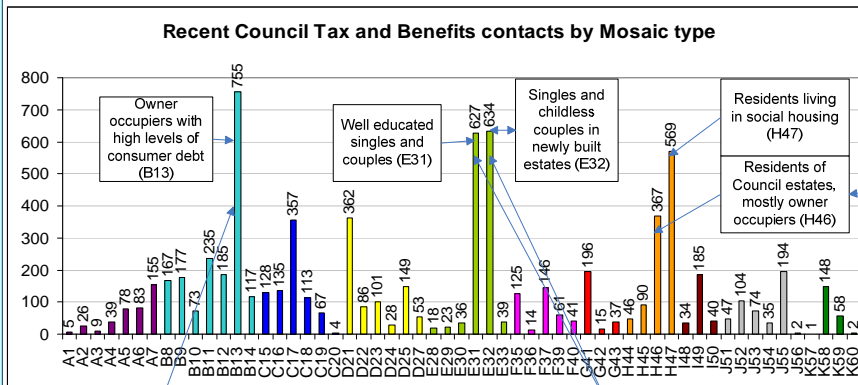
The significance of changes in profile is that the increasing numbers of customers contacting us amongst Mosaic types B13, E31 and E32 have significantly different communication preferences to customers we would usually expect to be contacting the CSC and in particular have a preference for internet contact - see diagram below.

Profile of Council Tax and Benefit claimants contacting the CSC (1/9/2009 – 11/11/2009)

This chart shows that overall the largest number of contacts have been made by:

- Owner occupiers many with large amounts of consumer debt (B13)
- Singles and childless couples in newly build private estates (E32)
- Well educated single and childless couples (E31)
- Residents living in social housing (H47)

Significantly this shows that singles and childless couples (E31 and E32) are making contact with the CSC at higher levels than those who are claiming benefits



Benefits claimants expected to make up the largest proportion claimants:

Residents living in council estates now mostly owner occupiers (H46)

Residents living in social housing (H47)

Communication Preferences (H46)
 Receptive
 TV, Radio, Posters
 Unreceptive
 Newspapers, Magazines

Communication preferences (H47)
 Receptive
 TV, Telemarketing, Posters, Direct Mail
 Unreceptive
 Internet, Magazines, Broadsheet newspapers

Communication preferences (B13)
 Receptive
 Internet, TV, radio, direct mail
 Unreceptive
 Heavyweight magazines, newspapers

Communication preferences (E31,32)
 Receptive (E31)
 Internet, telephone advice lines, heavyweight magazines, broadsheet newspapers
 Unreceptive (E31)
 TV
 Receptive (E32)
 Internet, radio, telephone advice lines, centre-left broadsheets
 Unreceptive (E32)
 TV

Touchstone - project findings

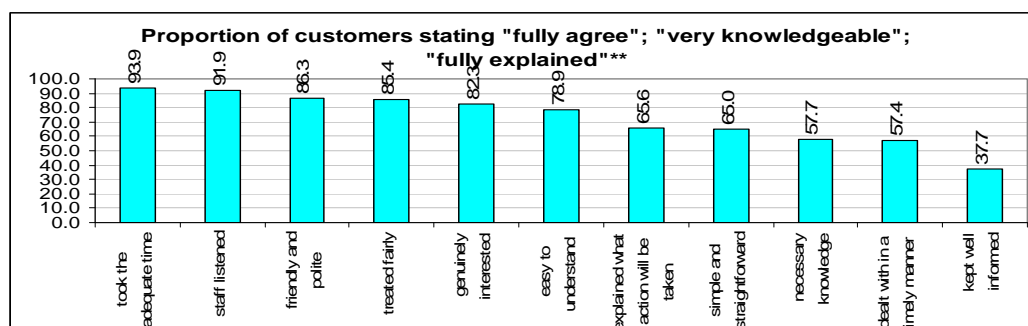
Touchstone is one of a range of products and services we are able to benefit from as a result of our corporate membership of the Institute of Customer Services (ICS). Touchstone provides us with immediate qualitative insight through conversations with customers who have recently contacted our services and is also complemented by a statistical analysis. The analysis shows that 91% of customers contacting us about Revenues and Benefits do so by phone (49%) or face to face (42%), with the remaining 9% as follows - 6% letter, 2% e-mail and 1% website.

Themes emerging from our analysis of customer comments on contacting us include:

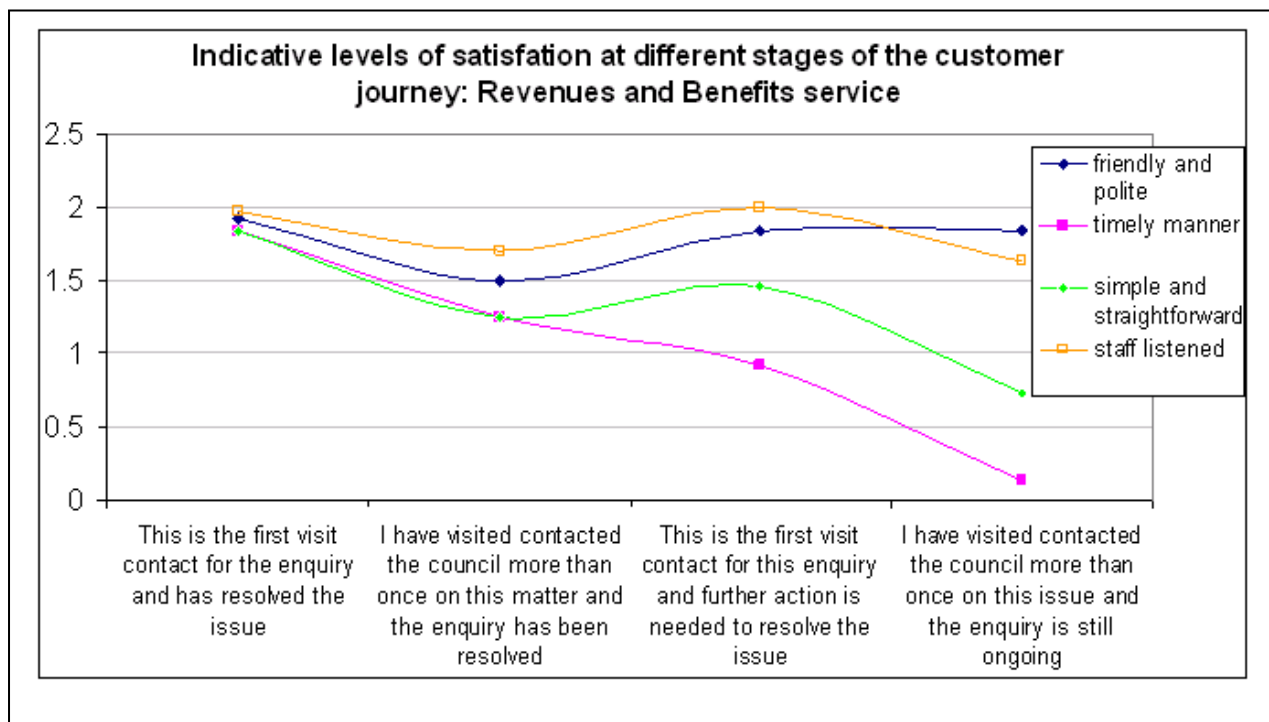
- Customers are prompted to contact us when they need to return claim forms, bring in additional evidence, have documents scanned, have received letters from us, have an appointment or have been advised by another organisation such as Job Centre Plus to contact us.
- Customers choose contact methods related to their personal circumstances, for example, calling in to see us if they are coming into town anyway or they live/work in or near town or phoning if they don't live in town or have young children.
- For some customers, contact preferences were also related to trust issues eg "I phoned because I just wanted to get it done", calling in to ensure details don't get lost and being able to get a receipt.
- Other reasons for contact preferences included – 'the quickest way', a preference for 'traditional methods', the 'cheapest way', not having access to a computer or preferring to call in if English is not their first language.

Summary of customer views

The chart below shows that customers rated their contact with staff more highly than their experience of the process. Indicators of customer satisfaction relating to contact with staff ranged from 93% to 78%, whilst those relating more to process ranged from 65% to 37%. The majority of customer comments on staff were very complimentary with staff seen as polite, friendly, helpful and understanding.



The chart below shows that customer satisfaction with process issues declines significantly over time, where customers are needing to contact us more than once and their enquiry is still ongoing.



The lowest ratings were for timeliness and being kept informed. Common themes for customers included:

- Not knowing what was happening with their claim or how long it will take
- Feeling stressed by claims taking a long time to process and worrying about outstanding rent or council tax
- Being passed from one department to another or their problem being passed on to another department
- That staff knew what they were doing, but the process and forms were confusing
- A lack of consistency with experiences vary depending on member of staff or in relation to the different benefits
- Customers found benefits letters confusing and contradictory
- Customers contacting us repeatedly to find out what is happening with their claim.

APPENDIX D - CIPFA Benefits Administration Benchmarking Club 2009 (draft report)

In August this year CIPFA distributed a draft report detailing the latest data available from the Benefits Administration Benchmarking Club which compares Colchester Borough Council's performance with that of 132 other club members. The report was issued in draft format to give authorities quick feedback on their current performance and the opportunity for club members to ensure that the figures they have provided are as intended.

From 2008/09 the National Indicator dataset has two indicators for Benefits Administration – The “Right Benefit” indicator NI 180 and the “Right Time” indicator NI 181. The DWP in consultation with Local Authorities were unable to supply an indicator that sufficiently measured accuracy and are now aiming to do so for 2011/12.

Performance against National Indicators for 2008/09

This report shows Colchester's performance against the national indicators compared to the average for Benchmarking Club members as follows:

Indicator	Colchester	Average
NI 180 “Right Benefit”	28.1	27.9
Notes: This displays the number of change in circumstances processed per 1000 caseload, per week for 2008/09 as provided by the DWP HoBOD website. The data covers the period June 08 to March 09 and is considered to be most 'official' figures available and are provided on a consistent basis. HB/CTB circular A4/2008 states that a higher value equates to better performance but reminds members that this measure is “likely to be sensitive to the make up of each LA's caseload”		
NI 181 “Right Time”	13.1	13.2
Notes: This displays “the average processing times (in days) for new claims and change events as collected in the benchmarking questionnaire. Circular A2-2008 points out that this may be “affected by the proportions of new claims to change events.		

Performance against Housing Benefit and Council Tax Benefit Performance Measures formally collected prior to 2008/09

CIPFA consider the previous measures to provide comprehensive information for local authorities which are still worth collecting and comparing where authorities have the data available. The table below compares Colchester's performance for 2008/09 to that of the average for Benchmarking club members:

Performance Measures		(units)	2007/08		2008/09		Changes	
			Value	Avg	Value	Avg	Value	Avg*
PM1	Speed of processing claims	days	25.8	24.9	31.6	24.7	5.8	-0.6
PM2	New claims outstanding over 50 days	%	na	7.0	na	8.7	na	1.3
PM3	New claims decided within 14 days	%	87.7	89.0	na	86.6	na	-3.4
PM4	RA paid on time within 7 days	%	88.5	91.4	na	92.3	na	0.0
PM5	Speed of processing change of circs	days	13.8	10.6	11.6	9.8	-2.2	-0.8
PM7	Overpayments recovered as a % identified	%	69.2	74.6	61.8	72.2	-7.4	-2.0
PM8	Overpayments recovered as a % outstanding	%	22.5	31.4	19.6	31.9	-2.9	1.1
PM9	Overpayments written off as % outstanding	%	3.4	5.5	5.0	4.8	1.6	-0.8
PM11	Data-matches resolved within two months	%	82.4	96.7	na	94.7	na	-3.4
PM16	Successful sanctions per 1000 caseload	/1000	3.0	4.9	na	4.9	na	0.2
PM17	Applications for reconsideration/revision	%	88.2	79.7	na	77.7	na	-3.0
PM18	Appeals submitted in 4 weeks	%	84.6	69.6	32.7	60.9	-52.0	-7.9
PM19	Appeals submitted in 3 months	%	100	88.3	91.8	89.6	-8.2	0.6

*Average change may not match the difference between the 2007/08 and 2008/09 averages because not all authorities have supplied figures for both years and the average change is only calculated for authorities that have given both.

LA error overpayments 2008/09	Rate	
Subsidy received at rate of	100%	
Group comparison	Rate	Number of authorities
	100%	111
	40%	6
	0%	10
	na	6

Subsidy Audit Last Audit	Y/N	
Was your last audit qualified?	Yes	
Group comparison	Y/N	Number of Authorities
	Yes	63
	No	69
	na	1

Two below in text boxes

LA error overpayments 2008/09	Rate	
Subsidy received at rate of	100%	
Group comparison	Rate	Number of authorities
	100%	111

Subsidy Audit Last Audit	Y/N	
Was your last audit qualified?	Yes	
Group comparison	Y/N	Number of Authorities
	Yes	63

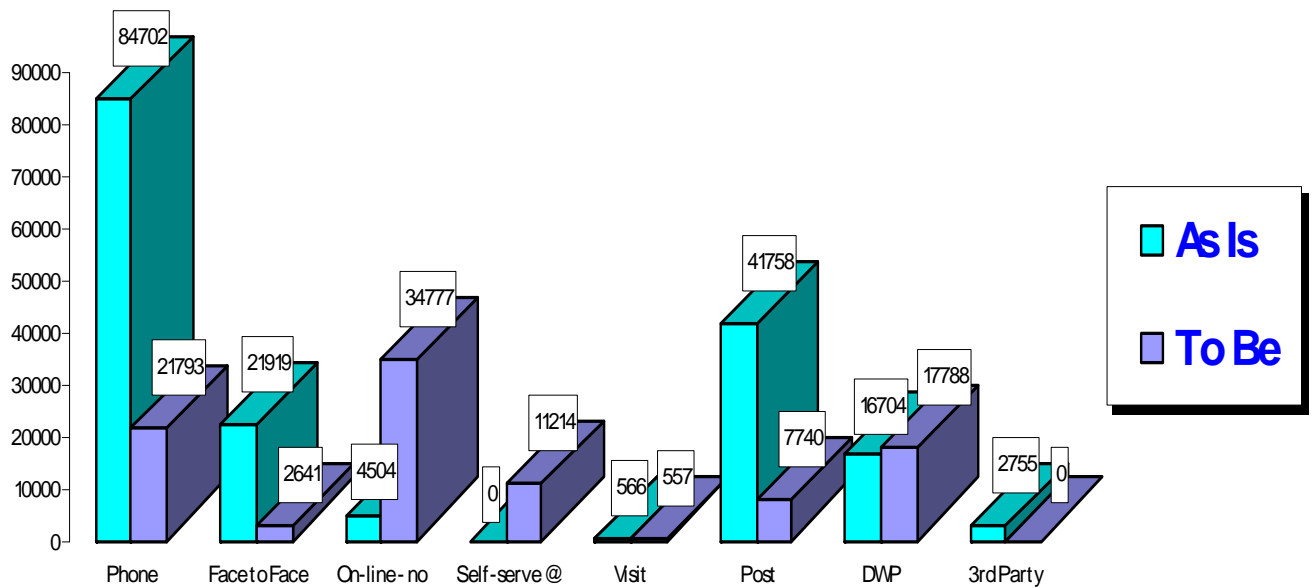
Overpayments identified during the year		%	Average
LA error	93	8.4	11.1
Eligible error	1000.1	90.5	87.9

Below in text box

Overpayments identified during the year		%	Average
LA error	93	8.4	11.1

Channel Management

Channel Management Changes for Revenues and Benefits Services



Channel Management

Channel changes overall			
	As Is	To Be	Difference
Phone	84702	21793	62909
Face to Face	21919	2641	19278
Online - no touch	4504	34777	30273
Self-serve @ CSC	0	11214	11214
Visit	566	557	9
Post	41758	7740	34018
DWP	16704	17788	1084
3rd Party	2755	0	2755
Total changes	172908	96510	76398
			44%

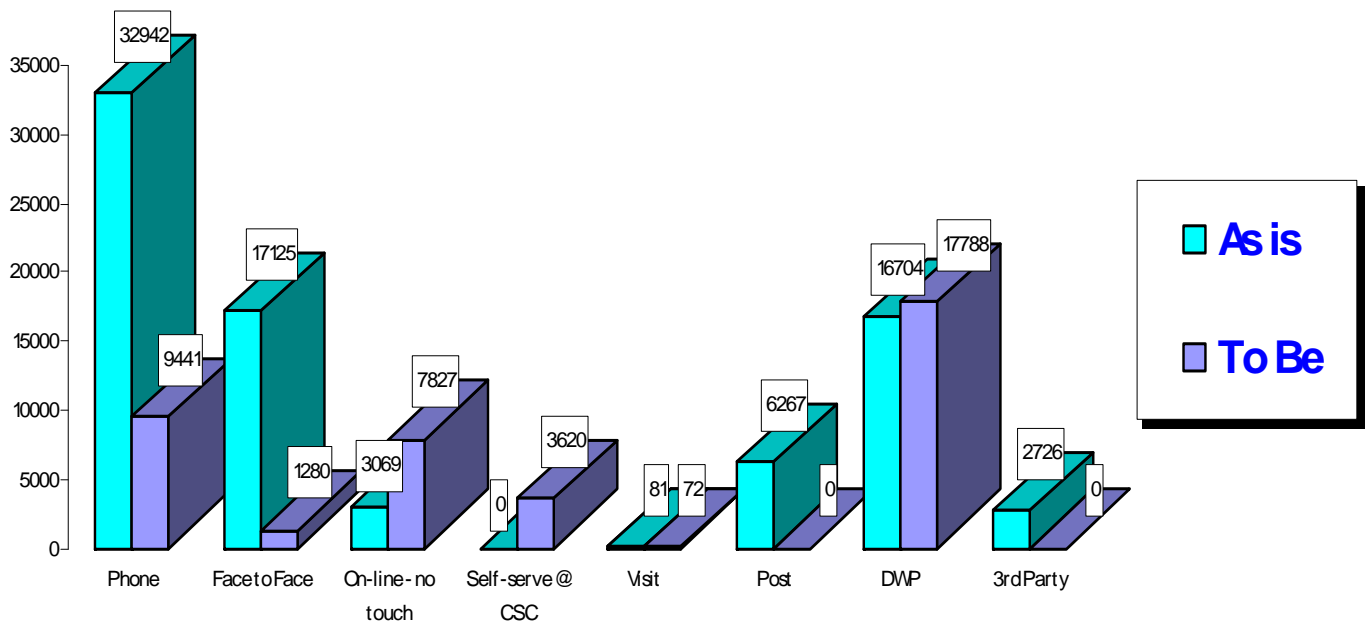
Channel changes - overall summary

- 74% decrease in phone calls
- 8-fold decrease in face to face contact
- 8-fold increase in online contact
- 11,214 switch to self serve at CSC
- 2% increase in visits to customers
- 5-fold reduction in post
- 6% increase in direct contact from DWP
- 2,755 switch to online contact

Total change – 44% reduction in contact

Channel Management

Channel Management - Changes for Benefits Services



Channel Management

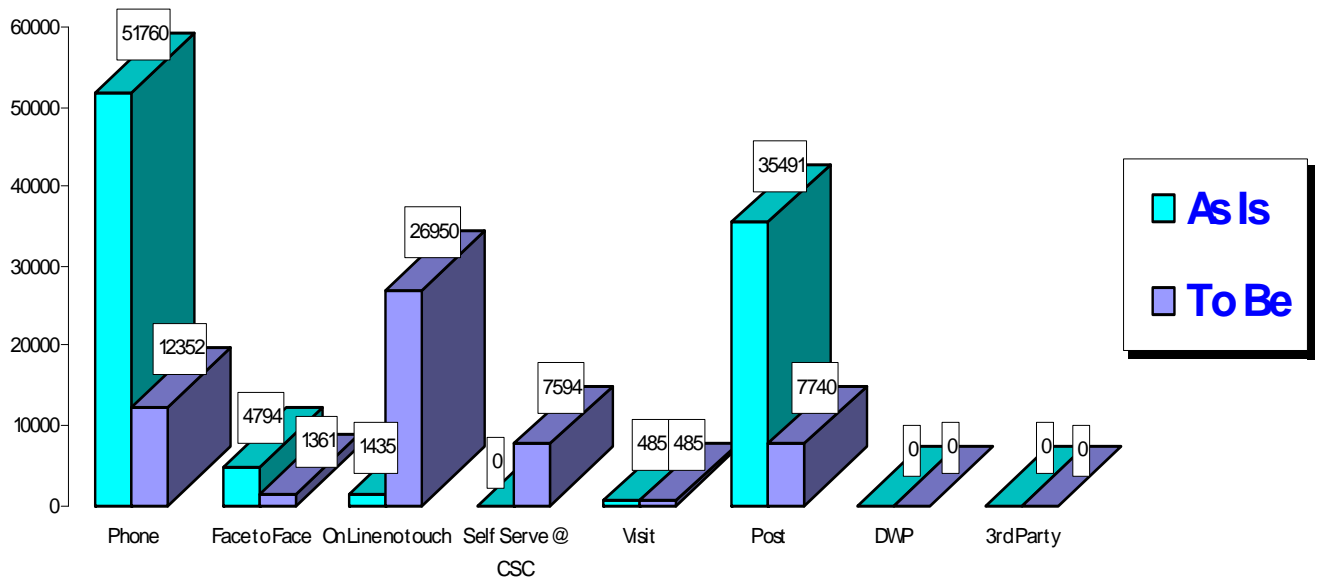
Channel changes - Benefits			
	As is	To Be	Difference
Phone	32942	9441	23501
Face to Face	17125	1280	15845
Online - no touch	3069	7827	4758
Self-serve @ CSC	0	3620	3620
Visit	81	72	8
Post	6267	0	6267
DWP	16704	17788	1084
3rdParty	2726	0	2726

Channel changes - Benefits Summary

- 71% decrease in phone contact
- 13-fold decrease in face to face contact
- 61% increase in online contact
- 3,620 switch to self serve at the CSC
- 13% decrease in visits
- 6,267 switch to other channels

Channel Management

Channel Management - Changes for Revenues Services



Channel Management

Channel changes - Revenues			
	As Is	To Be	Difference
Phone	51760	12352	39408
Face to Face	4794	1361	3433
Online - no touch	1435	26950	25515
Self Serve @ CSC	0	7594	7594
Visit	485	485	0
Post	35491	7740	27751
DWP	0	0	0
3rd Party	0	0	0
Total changes	93965	56482	37483
Percentage change			40% decrease

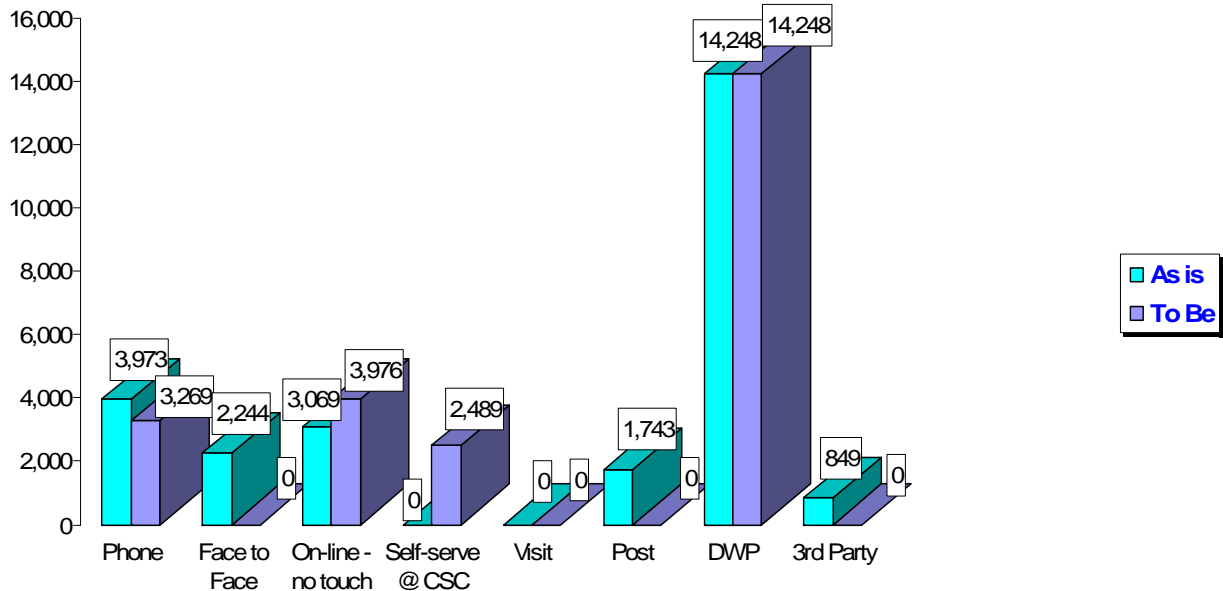
Channel changes - Revenues Summary

- 76% decrease in phone contact
- 72% decrease in face to face contact
- 95% increase in online contact
- 7,594 switch to self serve at CSC
- No change
- 78% decrease in post

Total change – 40% reduction in contact

Channel Management

Channels for changes to existing claims



Channel Management

Channels for changes to existing claims			
	As is	To Be	Difference
Phone	3,973	3,269	-704
Face to Face	2,244	0	-2,244
Online - no touch	3,069	3,976	907
Self-serve @ CSC	0	2,489	2,489
Visit	0	0	0
Post	1,743	0	-1,743
DWP	14,248	14,248	0
3rd Party	849	0	-849
Total changes	26,127	23,982	2145
Percentage change			8% decrease

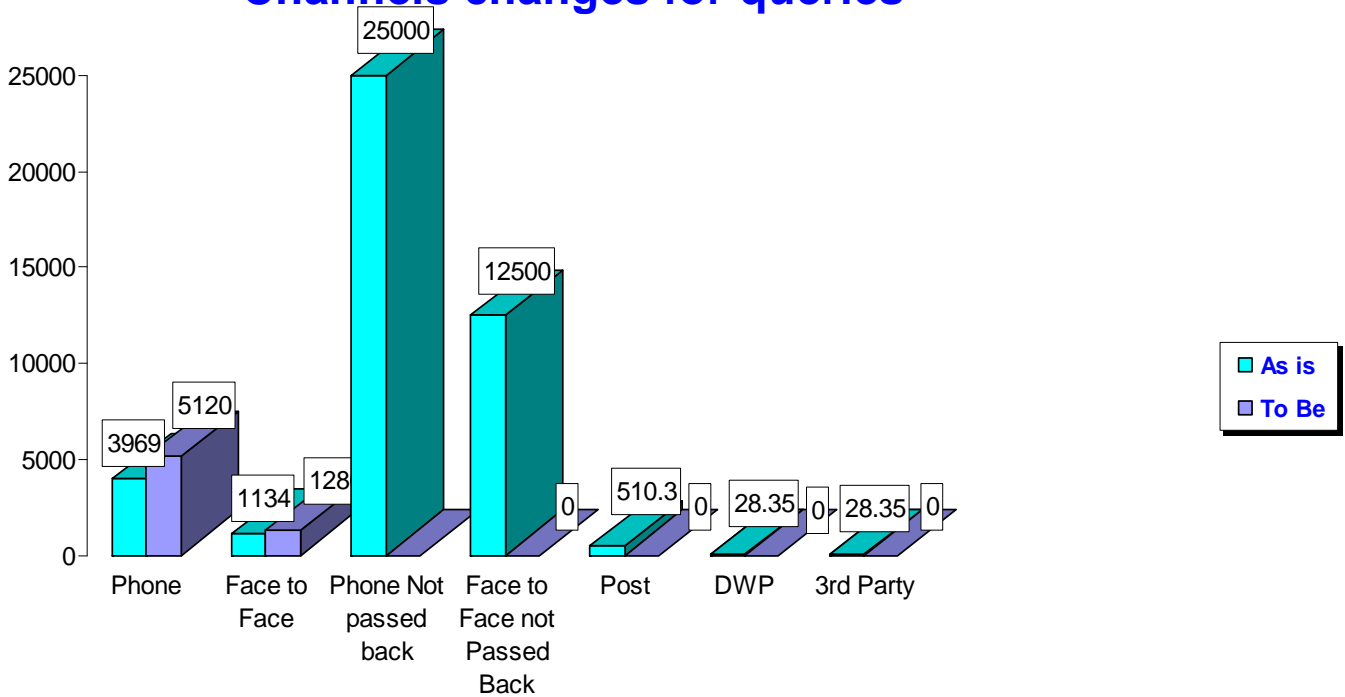
Channel changes – existing claims

- 18% decrease in phone contact
- 2,244 switch to other channels
- 30% increase in online contact
- 2,489 switch to self serve at CSC
- No change
- 1,743 switch to other channels
- No change
- 849 switch to online contact

Total change – 8% reduction in contact

Channel Management

Channels changes for queries



Channel Management

Channel changes for responding to queries			
	As is	To Be	Difference
Phone	3969	5120	1151
Face to Face	1134	1280	146
Phone Not passed back	25000	0	-25000
Face to Face not Passed Back	12500	0	-12500
Post	510.3	0	-510
DWP	28.35	0	-28.35
3rd Party	28.35	0	-28.35
Total changes	43170	6400	36770
Percentage change			85% decrease

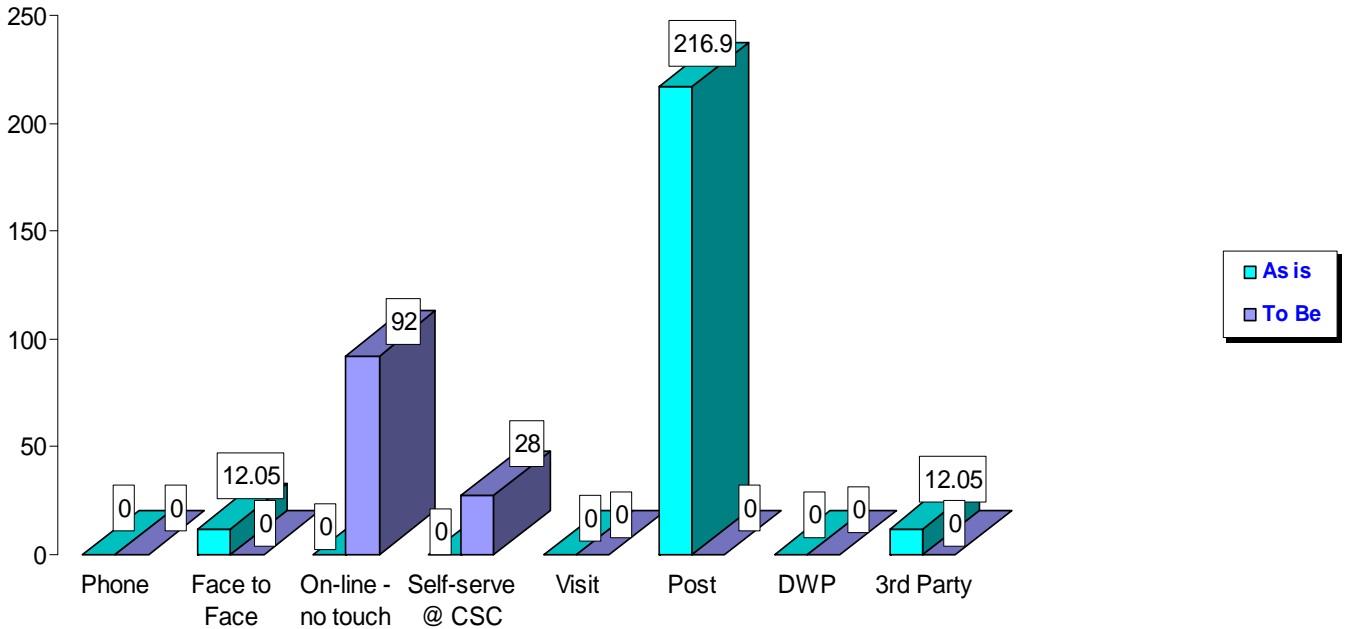
Channel changes – queries

- 29% increase in phone contact
- 13% increase in face to face contact
- 25,000 phone calls resolved at front end
- 12,500 face to face enquiries resolved at front end
- 510 switch to other channels
- 28.35 switch to online contact
- 28.35 switch to online contact

Total change – 85% reduction in queries

Channel Management

Channel changes for reconsiderations



Channel Management

Channel changes for reconsiderations			
	As is	To Be	Difference
Phone	0	0	0
Face to Face	12.05	0	-12
Online - no touch	0	92	92
Self-serve @ CSC	0	28	28
Visit	0	0	0
Post	216.9	0	-217
DWP	0	0	0
3rd Party	12.05	0	-12
Total changes	241	120	121
Percentage change			50% decrease

Channel changes – reconsiderations

- No change
- 12.05 decrease in face to face contact
- 92 switch to online contact
- 28 switch to self serve at CSC
- No change
- 216.9 decrease in enquiries by post
- No change
- 12.05 switch to online contact

Total change – 50% reduction in contact

ICT Strategy - Work Packages		Revenues and Benefits Fundamental Service Review Linking Opportunities to ICT Strategy																
		Requirements Functional	Technical	Impact Customer	Efficiency	Effectiveness	Impact	Do-ability	Web development Implementation, Promotion	Systems, develop, integration, access	Personalisation	Workflow	Data Management	Intelligent reporting	Payment methods	Procurement	Stakeholder Management	
A1 Customer Insight	<ul style="list-style-type: none"> •Accuracy/integrity of customer data •Use of data to target services to meet customer's needs; preferred channels, connect to other relevant services •Behaviour change eg switch to DD/Self serve 	<ul style="list-style-type: none"> •Systems support accurate/consistent collection/recording of customer data •Connected customer, one customer record - ability for customer to specify preferences •Ability for information to be shared between CBC services and with Partner agencies •Use of mosaic, GIS, service data reports 	<ul style="list-style-type: none"> •Services and information tailored to customer's needs •Single transaction connects customer to relevant services/information 	<ul style="list-style-type: none"> •Greater impact for less cost •Targets resources where they are needed 	<ul style="list-style-type: none"> •Facilitates cross service and multi agency working •Enables of pro-active targeting customers at key stages of the process to reduce likelihood of overpayments and rent arrears 	8	8	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
144	<ul style="list-style-type: none"> •Simplify information, bite size chunks, visual, engaging •Self help tools, frequently asked questions •Consistency of look and content 	<ul style="list-style-type: none"> •System generated information for customers eg confirmation entitlement, request for evidence •Website improvement to facilitate ease of access to information and services •System alerts to update information on website, facilitate process of updating information enabling links to relevant material to be updated •Systems links to partner organisations, improved communication and workflow between CSC and services 	<ul style="list-style-type: none"> •Better understanding of entitlement to benefits and how to make claim claim •Able to see how the process works, what we will do and what is expected of them •Better experience of customer journey, access to information, about related benefits and services 	<ul style="list-style-type: none"> •Fewer enquiries, reduced need for customers to contact us •Releasing resources to target effort where it is most needed 	<ul style="list-style-type: none"> •Facilitates multi-agency working, partners clearer about process and journey making it easier from them to provide support and advice to customers directly •Also for CBC to signpost customers effectively for related services and advice 	8	8	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
A2 Customer information - (clear, accessible, timely)																		

ICT Strategy - Work Packages																	
Revenues and Benefits Fundamental Service Review Linking Opportunities to ICT Strategy																	
Opportunities	Requirements	Technical	Impact	Efficiency	Effectiveness	Impact	Do-ability	Channel Development, Implementation, Promotion	Web development	Systems, develop, integration, access	Personalisation	Workflow	Data Management	Intelligent reporting	Payment methods	Procurement	Stakeholder Management
<p>A3 More up front (process improvement) inc:</p> <ul style="list-style-type: none"> Self serve, Triage, Maximising use of resources - csc expertise, improved workflow, Systems integration/access 	<ul style="list-style-type: none"> Intelligent on line forms enable customers and partner organisations to check entitlement, make application or report changes Customers only asked questions relevant to circumstances as interactive questions/ expert knowledge built into forms to match customer scenario's Evidence to be collected at first point of contact Improved IT systems access to improve workflow and communication with Revs and Bens Service 	<ul style="list-style-type: none"> Development of intelligent forms and on line calculators for claims and changes of circumstances with indication of entitlement to other benefits FAQ's built into forms. Integration of online forms with Capita and Idox Links between forms and verification software Use of Bar Codes to link evidence with customer record, Facilities for customers to self scan and self serve terminals Management system to identify evidence needed and received -claim not forwarded for assessment until all evidence received Automated reminders for customers to provide evidence Payment arrangements to be made on line with ability for customer to vary their payment profile (which 2 months are payment free) CSC enabled to set up initial claim and able to scan and index directly into idox 	<ul style="list-style-type: none"> Enables customers to self serve or complete form at first point of contact with help of CBC staff or partner organisations Process is speeded up and customers get a decision more quickly Helps to avoid uncertainty for long periods of time making process less stressful and reducing likelihood of building up or increasing debt 	<ul style="list-style-type: none"> Savings as a result of eliminating paper forms.(paper, scanning, indexing) Reduction in customer contact levels resulting from quicker decision making and less enquiries about claim progress Reduction in repeat visits as a result of evidence collected up front and in calls made to customers to request further evidence Improved end of year process resulting from customer choice of payment profile 	<ul style="list-style-type: none"> Ensures joined up approach combines and maximises the expertise of both CSC and service staff at the front end Helps to reduce need for contact with other CBC services eg debt/rent arrears recovery, housing advice or partner organisations 	9	8	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

ICT Strategy - Work Packages		Revenues and Benefits Fundamental Service Review Linking Opportunities to ICT Strategy						
		Requirements Functional	Technical	Impact Customer	Efficiency	Effectiveness	Impact	Do-ability
Opportunities A4 Channel Development, Implementation and promotion	<ul style="list-style-type: none"> •Development, Implementation and promotion of our main incoming channels for the Revenues and Benefits Service •Increasing the availability of self serve options •Improving functionality of channels 	<ul style="list-style-type: none"> •Electronic and web systems with full volume reporting functionality •Intelligent on line forms, online benefits calculators •Facilitate improvements in customer information - more visual, engaging, interactive, •FAQ functionality •Channels to facilitate connections to other benefits or services •Self scanning for customers •Automated reminders for customers in terms of providing evidence, making payments or notifying of suspension of claim •Ability for customers to customise their services and book a home visit •Technology to support home visits/mobile assessment •Integrated customer relationship management system and single view of the customer •Enabling contact volumes by all channels to be recorded through •CSC or one single CRM and telephone system (corporately and by service) 	<ul style="list-style-type: none"> •Customer receives services tailored to their needs and preferences, •Channels provide customers with added value and a better customer experience, •Speedier process means quicker decisions for customers with a much improved customer journey making customer experience less consuming, less stressful and reduces risk of accruing personal debts •Opportunity for customers to play a pro-active role in managing their claim and updating their personal information 	<ul style="list-style-type: none"> •Greater impact for reduced cost •Resources and customer support targeted where they are needed most •Savings from eliminating paper forms, reduced customer contact, duplication of effort, information and resources 	<ul style="list-style-type: none"> •Facilitates cross service and multi-agency working • Customer receives services tailored to their needs and preferences • Channels provide customers with added value and better customer experience • Speedier process means quicker decisions for customers, with a much improved customer journey making customer experience less consuming, less stressful and reduces risk of accruing personal debts • Opportunity for customers to play a pro-active role in managing their claim and updating their personal information •CBC also able to maximise use of channels to facilitate access for customers to related benefits and services provided by our partners, •Maximises the expertise of both CSC and service staff at the front end. More up front approach helps to reduce need for contact with other CBC services eg debt/rent arrears recovery, housing advi 	9	8	

		ICT Strategy - Work Packages											
		Channel Development, Promotion, Implementation, Web development, Systems, develop, integration, access, Personalisation, Workflow, Data Management, Intelligent reporting, Payment methods, Procurement, Stakeholder Management											
Opportunities	Requirements	Technical	Impact	Customer	Efficiency	Effectiveness	Do-ability						
Functional													
	<ul style="list-style-type: none"> Adopting a risk based approach to claims assessment in line with development of DWP's Risk based verification framework Full evidence required for customer assessed as high risk and less for customers assessed as lower risk Provide information and support needed to provide all evidence needed and complete claim in one transaction Enable partners to use intelligent on line forms and assist with verification Carry out an annual review of existing caseload Introduce self assessment so principles so customer reviews information they have provided 	<ul style="list-style-type: none"> Risk assessment linked to online claims process Risk and verification portal software Connected customer/one customer record would enable evidence provided to be used more than once Intelligent online forms Systems integration to support evidence/verification process ensuring connections to back office systems and customer record. Systems enabling data matching and reporting to enable better targeting of resources against risk and effort 	<ul style="list-style-type: none"> Many customers will benefit from reduction in evidence required leading to simplified and speedier process Customer gets help and support they need from CBC or partner organisation Reduces need for customer to contact us to chase progress or provide more evidence Gets decision more quickly Journey is easier and less stressful Accuracy at outset helps to minimise debt. Review process and one customer record provides opportunity for customers to update their personal information reducing likelihood of overpayments 	<ul style="list-style-type: none"> Savings resulting from reduction in evidence provided -scanning/Indexing Speeds up process for customers helping to reduce enquiries on claim Accessing evidence for discounts and exemptions directly from third parties Reduced effort through enabling third parties such as RSL's to verify evidence on our behalf - helping to speed up process Reduction in overpayments and recovery costs by providing correct information and assessment at 	<ul style="list-style-type: none"> Bringing benefits to all parties - reduced risk of arrears/debt, follow up action and need for repeated customer contacts Enables partners to target resources locally to where they are needed most Improved process and customer experience More effective use of staff and customer time Enables customers to take a pro-active approach to managing their claim by keeping information up to date Helps to reduce need for contact with other CBC services eg debt/rent arrears recovery, housing advice or partner organisations 								
C2 Risk Assessment								Y	Y	Y	Y	Y	Y

Revenues and Benefits Fundamental Service Review Linking Opportunities to ICT Strategy

		ICT Strategy - Work Packages										
		Channel Development, Implementation,	Web development	Systems, develop, integration, access	Personalisation	Workflow	Data Management	Intelligent reporting	Payment methods	Procurement	Stakeholder Management	
Opportunities	Requirements	Technical	Impact	Efficiency	Effectiveness	Impact	DO-ability					
	Functional		Customer									
149 C3 Mobile Assessment	<ul style="list-style-type: none"> Revenues and benefits officers will visit customer in the home Scan and index any evidence required on site and assess the claim. Visiting officer has responsibility for customer journey 	<ul style="list-style-type: none"> Technology to support mobile assessment: - mobile pc's, 3G cards, mobile scanners or camera's to scan evidence Mobile printers to give customer decision letter (where no electronic option) Scanning licenses Ability for CSC and customers to book appointment on line CRYSIS phones 	<ul style="list-style-type: none"> Customer gets an instant decision - gives greater certainty in terms of financial position more quickly, Reduces need for customer to contact CSC and or chase progress of claim Security of personal information as remains in the customers home 	<ul style="list-style-type: none"> Reduction in customer contact resulting from speedier process assessment and decision 	<ul style="list-style-type: none"> More effective use of resources to achieve more up front and improve services customer 	6	8	Y	Y	Y	Y	Y
	E1 Joined up approach to debt	<ul style="list-style-type: none"> Create one CBC team to deal with debt recovery including overpayments and local taxation Co-ordination of resources Agreed approach to debt recovery including fair debt policy Use of customer insight to target resources where most needed 	<ul style="list-style-type: none"> One customer record enabling customer and staff to view debt related information and arrangements in place Systems integration to support co-ordinated approach to debt recovery 	<ul style="list-style-type: none"> Approach easier for customer to understand One single point of contact for debt related issues 	<ul style="list-style-type: none"> Reduction in customer contact as a result of joined up approach to debt recovery Increased potential achieve process efficiencies 	<ul style="list-style-type: none"> Maximises use of resources such as insight and expertise through improved co-ordination Increases potential for process improvement including joined up approach to debt prevention Provides greater clarity, transparency and consistency of approach 	9	4				



Strategic Overview and Scrutiny Panel

Item
12

2 March 2010

Report of	Scrutiny Officer	Author	Robert Judd Tel. 282274
Title	Work Programme		
Wards affected	Not applicable		

This report sets out the current work programme for 2009/10

1. Action Required

1.1 The Panel is asked to consider and confirm the rolling 2009/10 work programme.

2. Reason for Scrutiny

2.1 This function forms part of the Panel's Terms of Reference in the Constitution.

3. Update to the work programme

3.1 With a new Portfolio Holder for Business and Tourism due to take office during the final months of this Municipal Year, the Chair has agreed that the review of the work of the Portfolio Holder, scheduled for the 30 March 2010, should be deferred until 2010-11.

Outstanding reviews

1. Strategic review of CYPSP (Head of Life Opportunities) – tba for 2010-11
2. Greenways Care Home progress (ref. SOSP 10-Feb-09)

16 June 2009

1. Pre Cabinet scrutiny of the Strategic Plan Action Plan + Nis and LAA targets
2. Urgency – Comment form for Nominated New Nuclear Power Station Sites (13-May-09)

14 July 2009 (Ian Vipond Lead Director)

1. Review of the Budget Strategy and Timetable (Head of Resource Management)
2. Clarification report on Affordable Housing – Head of Strategic Policy (SOSP minute6, 16 June)
3. Review of the Portfolio Holder for Communications, Customers and Leisure (last review 10-feb-09)

24 August 2009

1. Review of the Colchester2020 Partnership – item deferred until September.
2. Strategic review of CDRP (Head of Life Opportunities) (Crime and Disorder Committee)
3. Life Opportunities (Executive Director) (SOSP min.6 16June)
4. New build nuclear power station at Bradwell

29 September 2009

1. Review of the Colchester2020 Partnership – Chairman of Colchester2020 / CEO CBC to attend.
2. Public Service Partnership (Executive Director A. Wain)(Chair PSP unable to attend)

13 October 2009 additional meeting

1. Responding to the economic Downturn - presentation from Executive Director P. Donnelly.
2. Overview of Environmental and Protective Services Review - Head of Env. & Protective Services

3 November 2009

1. Overview of Housing Services Review – Head of Strategic Policy and Regeneration / Head of Life Opportunities (SOSP minute6, 16June)
2. Street Care Strategy / Graffiti protocol (Head of Street Services)
3. Climate Change and Carbon Management (update from review of 16-dec-08)
4. Review of the Portfolio Holder for Street and Waste Services (last review 10-feb-09)

9 December 2009

1. Review of the Budget – Strategic update (Head of Resource Management)
4. Review of the work of the Leader of the Council, Portfolio Holder for Strategy (last review 7-04-09)

5 January 2010

1. Growth in Colchester and Colchester's Local Development Framework (Executive Director, Ian Vipond / Spatial Policy Manager)
2. Half yearly performance report incl. progress on Strategic Plan Action Plan (Head of CM)
3. Comprehensive Area Assessment (CAA) (Executive Director)
4. Review of the Portfolio Holder for Performance and Partnerships (last review 17-mar-09)

9 February 2010

1. Review of the Portfolio Holder for Neighbourhoods (last review 7-apr-09)
2. Review of the Portfolio Holder for Planning, Sustainability and Environmental
3. Review of Colchester Community Stadium Company - Chief Executive, Chair David Murthwaite & Dir. Clive Gilham to attend (Part of Annual Governance Statement Action Plan)

2 March 2010 additional meeting

1. Fundamental Review of the Revenues and Benefits Service (pre Cabinet Scrutiny)
2. Review of the Council's Arts and Culture funding partners Firstsite/Mercury/Colchester Arts Centre.

30 March 2010

1. Review of the Portfolio Holder for Resources, Diversity, Culture and the Arts (revised in January10)
2. Review of the Portfolio Holder for Business and Tourism – deferred until 2010-11

2009-10 call-ins

- 9 December 2009 – Land Transfer at Norman Way (Cabinet decision 2 December 2009)

