



#plymcabinet

**Democratic and Member Support**

Chief Executive's Department  
Plymouth City Council  
Ballard House  
Plymouth PL1 3BJ

Please ask for Ross Jago  
T 01752 304469  
E [ross.jago@plymouth.gov.uk](mailto:ross.jago@plymouth.gov.uk)  
[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)  
Published 18 September 2017

## Cabinet

Tuesday 26 September 2017  
4 pm  
Council House, Plymouth

**Members:**

Councillor Bowyer, Chair  
Councillor Nicholson, Vice Chair  
Councillors Mrs Beer, Mrs Bowyer, Darcy, Downie, Jordan, Michael Leaves, Ricketts and Riley.

Members are invited to attend the above meeting to consider the items of business overleaf.

This agenda acts as notice that Cabinet will be considering business in private if items are included in Part II of the agenda.

This meeting will be broadcast live to the internet and will be capable of subsequent repeated viewing. By entering the Warspite Room and during the course of the meeting, Councillors are consenting to being filmed and to the use of those recordings for webcasting.

The Council is a data controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with authority's published policy.

For further information on webcasting, attending Council meetings and how to engage in the democratic process please follow this link <http://www.plymouth.gov.uk/accesstomeetings>

**Tracey Lee**

Chief Executive

## **Cabinet**

### **Agenda**

#### **Part I (Public Meeting)**

**1. Apologies**

To receive apologies for absence submitted by Cabinet Members.

**2. Declarations of Interest (Pages 1 - 2)**

Cabinet Members will be asked to make any declarations of interest in respect of items on this agenda. A flowchart providing guidance on interests is attached to assist councillors.

**3. Minutes (Pages 3 - 6)**

To sign and confirm as a correct record the minutes of the meeting held on

**4. Chair's Urgent Business**

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

**5. Questions from the Public**

To receive questions from the public in accordance with the Constitution.

Questions, of no longer than 50 words, can be submitted to the Democratic Support Unit, Plymouth City Council, Ballard House, Plymouth, PL1 3BJ, or email to [democraticsupport@plymouth.gov.uk](mailto:democraticsupport@plymouth.gov.uk). Any questions must be received at least five clear working days before the date of the meeting.

**6. Strategic Options for Corporate Services (Pages 7 - 38)**

**7. Business Rates Discretionary Relief Scheme 2017-18 (Pages 39 - 42)**

DECLARING INTERESTS – QUESTIONS TO ASK YOURSELF

What matters are being discussed?



D  
P  
I

Does the business relate to or is it likely to affect a disclosable pecuniary interest (DPI)? This will include the interests of a spouse or civil partner (and co-habitees):

- any employment, office, trade, profession or vocation that they carry on for profit or gain
- any sponsorship that they receive including contributions to their expenses as a councillor or the councillor’s election expenses from a Trade Union
- any land licence or tenancy they have in Plymouth
- any current contracts leases or tenancies between the Council and them
- any current contracts leases or tenancies between the Council and any organisation with land in Plymouth in they are a partner, a paid Director, or have a relevant interest in its shares and securities
- any organisation which has land or a place of business in Plymouth and in which they have a relevant interest in its shares or its securities

No

Yes



Declare interest and leave (or obtain a dispensation)



P  
r  
i  
v  
a  
t  
e  
  
I  
n  
t  
e  
r  
e  
s  
t

Does the business affect the well-being or financial position of (or relate to the approval, consent, licence or permission) for:

- a member of your family or
- any person with whom you have a close association; or
- any organisation of which you are a member or are involved in its management (whether or not appointed to that body by the council). This would include membership of a secret society and other similar organisations.

Yes

No



You can speak and vote



Will it confer an advantage or disadvantage on your family, close associate or an organisation where you have a private interest more than it affects other people living or working in the ward?

Yes

No



Declare the interest and speak and vote



Speak to Monitoring Officer in advance of the meeting to avoid risk of allegations of corruption or bias

C  
a  
b  
i  
n  
e  
t

Cabinet members must declare and give brief details about any conflict of interest\* relating to the matter to be decided and leave the room when the matter is being considered. Cabinet members may apply to the Monitoring Officer for a dispensation in respect of any conflict of interest.

\*A conflict of interest is a situation in which a councillor’s responsibility to act and take decisions impartially, fairly and on merit without bias may conflict with his/her personal interest in the situation or where s/he may profit personally from the decisions that s/he is about to take.

**This page is intentionally left blank**

## Cabinet

**Tuesday 29 August 2017**

### PRESENT:

Councillor Bowyer, in the Chair.

Councillor Nicholson, Vice Chair.

Councillors Mrs Beer, Mrs Bowyer, Michael Leaves, Ricketts and Riley.

Apologies for absence: Councillors Darcy, Downie and Jordan.

Also in attendance: Tracey Lee – Chief Executive, Carole Burgoyne – Strategic Director for People, Anthony Payne – Strategic Director for Place, Andrew Hardingham – Interim Joint Strategic Director for Transformation and Change (Finance), Dawn Aunger – Interim Joint Strategic Director for Transformation and Change (Transformation), Alison Botham – Assistant Director for Children, Young People and Families, Alison Ward – Regional Partnerships Manager, Rob Sowden – Performance Advisor and Amelia Boulter – Democratic Advisor.

The meeting started at 4.00 pm and finished at 4.34 pm.

*Note: The full discussion can be viewed on the webcast of the City Council meeting at [www.plymouth.gov.uk](http://www.plymouth.gov.uk). At a future meeting, the Council will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.*

32. **Declarations of Interest**

There were no declarations of interest .

33. **Minutes**

The minutes of the meeting held on 25 July 2017 were approved.

34. **Chair's Urgent Business**

There were no Chair's urgent business.

35. **Questions from the Public**

There was one question from a member of the public. The questioner was not present at the meeting.

Question submitted by: Mr John Emery
To the Cabinet Member or Chair for: Councillor Nicholson, Deputy Leader
Question:

What assurances can the Council provide to ensure Plymouth Local Access Forum (PLAF) is functioning in accordance with Statutory Instrument No.268. The Local Access Forums (England) Regulations 2007.\* Regulations 1-30 and who on the Executive/Administration is responsible for the PLAF and why is there no permanent independent secretary?

\* References: Electors Question to Planning Committee, Emails to the PLAF 22 January, 6,10 July 2017

Response:

The Plymouth Local Access Forum, which falls within the Strategic Transport, Housing and Planning portfolio, operates within all relevant legislative guidelines including the referenced statutory instrument with secretarial support having been continuously provided by the council's Democratic Support Team since 2006 when the Local Access Forum was established.

36. **Establishing a Strategic Partnership with Torbay Council to Deliver Children's Services**

The Leader introduced the report and then handed over to Alison Botham, Assistant Director for Children, Young People and Families who highlighted that Plymouth City Council were invited to submit an expression of interest to create a partnership arrangement with Torbay Council to jointly deliver its Children's Services. This was following Torbay being judged inadequate for several years by Ofsted. This report seeks an 'in principle' decision and we have been clear throughout that to proceed with a full partnership due diligence would be undertaken to ensure that this partnership does not compromise our services to children and young people.

Since this report was produced Torbay Council would now consider their options at an Extraordinary Council Meeting on 27 September 2017.

Cabinet –

1. Agrees 'in principle' to progress the development of a partnership with Torbay Council to run its Children's Services, working with Torbay Council and the Commissioner for Children's Services, and under the auspices of the Department for Education to develop a detailed partnership agreement.
2. Delegates to the Chief Executive in consultation with the Leader of the Opposition the development of the detailed partnership agreement.
3. Requests the Wellbeing Overview and Scrutiny Committee to examine and debate the proposal in September 2017 and provide any feedback to the Council meeting on 25 September 2017.
4. Recommends that the Council endorses the Cabinet's 'in principle' decision at its meeting on 25 September 2017, subject to continuing support for a strategic partnership with Plymouth City Council to deliver Torbay Council's Children's Services, following the latter's Council meeting on 13 September 2017.

5. Receives a further report later in 2017 following the 'due diligence' exercise and seeks further endorsement from the Council before any binding decision is made.

37. **Capital and Revenue Monitoring Report 2017/18 - Quarter I**

The Leader highlighted that this report outlines the finance monitoring position of the Council as at the end of June 2017.

Cabinet agreed –

1. To note the current revenue monitoring position and action plans in place to reduce/mitigate shortfalls;
2. It is recommended that Cabinet approve the non-delegated virements which have occurred since 1 April 2017;
3. Cabinet are asked to recommend to Council that the Capital Budget 2017 – 2022 is revised to £836m (as shown in table 5).

38. **Corporate Performance Monitoring Q1 2017/18**

The Leader introduced the report and highlighted that this was the quarter one update of the Corporate Plan which provides an overview of activity and performance between April and June 2017. The council remains 'on track' with the majority of its activity and there has been some significant progress in quarter one. The report also highlights the challenges faced by the council.

Cabinet noted and approved the Corporate Plan Quarter I Monitoring Report.

**This page is intentionally left blank**



**PLYMOUTH CITY COUNCIL**

**Subject:** Strategic Options for Corporate Support Services

**Committee:** Cabinet

**Date:** 25 July 2017

**Cabinet Member:** Cllr Darcy, Cllr Jordan and Cllr Riley

**CMT Member:** Andrew Hardingham and Dawn Auger

**Author:** Peter Honeywell

**Contact details:** email: [peter.honeywell@plymouth.gov.uk](mailto:peter.honeywell@plymouth.gov.uk)  
Phone : 01752 305603

**Ref:**

**Key Decision:** No

**Part:** I

---

**Purpose of the report:**

This report recommends to Cabinet a shared services strategy for back office services based on a strategic outline business case. It presents the proposed outcomes sought by the Council from the delivery of its back office/support services and the options considered to best achieve these outcomes. The report then describes the analysis performed to compare the options and proposes the creation of a shared services operation. The final section of the report is to apply a five case analysis to the option of a shared service, to consider it from multiple perspectives in order to confirm the recommendation.

The vehicle for delivering the strategy is recommended as Delt, noting that Delt will require expansion for this to be possible. The report also recommends the services to be considered for migration, subject to adoption of the strategy proposed.

---

**The Corporate Plan 2016 - 19:**

The business case shows how the recommendations deliver our Pioneering vision through supporting the themes:

1. Balancing the books – through the delivery of savings and income
2. New ways of working – through a new model for service delivery
3. Best use of Council assets – though using these services further integrate with partners and develop a platform for economic growth
4. Working constructively with everyone – through supporting greater integration across partner organisations

It supports our Growing vision through supporting the theme:

- Quality jobs and valuable skills – through developing a shared service organisation with growth potential

It supports our Caring vision through supporting closer integration with health partners in order to indirectly enable all the themes.

It supports our Confident vision through supporting the theme:

- Setting the direction for the South West – through creating an innovative new vehicle to deliver integration across the public sector building on the success of Delt's IT service offering.

---

### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land:**

The recommendation in this report sets the strategy for the delivery of the savings target in FY 18/19 for back office services. The report also proposes the transfer of up to 410 staff to Delt, the transfers would occur in phases and over the course of the next 2 years.

The transferred staff are recommended to be TUPE transferred to Delt. Over the next 6 to 9 months Delt are undergoing a project of organisational development which will further cement their ways of working into an operating model ensuring a consistent service delivery capability regardless of which member of staff was involved. In this way they will be able to professionally induct transferred staff with a view to ensuring new staff are given clear expectations of how to conduct themselves.

Subject to approval of the recommendations in this report subsequent cases will be advanced to describe the transition of services over the course of the next 18 months to 2 years. Each service will have its own case for change made to Cabinet and decisions on these papers will determine whether they are transferred or not.

---

### **Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

These implications will be given more consideration in the detailed business cases for each phase of transition. At this stage there are no implications for these outcomes anticipated despite the potential for Health and Safety and Risk Management possibly being subject to transfer.

---

### **Equality and Diversity:**

Has an Equality Impact Assessment been undertaken? Yes/No

---

### **Recommendations and Reasons for recommended action:**

That Cabinet approve the proposal to develop business cases and service specifications for services that might be transferred to Delt. These cases will be reviewed by Scrutiny and Cabinet for approval before a transfer takes place. Any services approved for transfer would expand the services offerings that Delt can demonstrate to other prospective partners and clients.

Recommendations made by the Place and Corporate Overview and Scrutiny Panel are included in this report with recommended responses.

**Alternative options considered and rejected:**

The following options have been considered and are rejected as a result of the approval of the recommendations made in this report:

Services to remain in house

Transfer services into joint venture with a private sector partner

Transfer services into an outsourced operation with a private sector operator

**Published work / information:**

Treasury guidance for public sector investment

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/469317/green\\_book\\_guidance\\_public\\_sector\\_business\\_cases\\_2015\\_update.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/469317/green_book_guidance_public_sector_business_cases_2015_update.pdf)

Cabinet report creating Delt :

<http://democracy.plymouth.gov.uk/documents/s49832/ICT%20Shared%20Services%20DELT.pdf>

Delt company vision and values: <http://www.deltservices.co.uk/about/visions-values>

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	


**Sign off:**

Fin	<u>AKH</u> <u>1718</u> <u>.105</u>	Leg	It/289 79/15 09	Mon Off	It/dvs/ 2897 9/150 9	HR		Assets		IT		Strat Proc	
Originating SMT Member Andrew Hardingham and Dawn Aunger													
Has the Cabinet Member(s) agreed the content of the report? Yes / No													

## 1.0 Introduction

- 1.1 This report presents a Strategic Outline Case (SOC) based on the guidance published by the Treasury using the five case model to set out the arguments. The scope of services considered within the report is as follows:

### Services considered in scope



- **HR**
  - Payroll (now in Service Centre)
  - Recruitment (now in Service Centre)
  - Organisation Development
  - Health and Safety
  - HR Advisory
  - HR systems team (now in Service Centre)
- **Finance**
  - Assurance services
  - Procurement
- **Transformation**
  - Portfolio Office
- **Customer Services**
  - Digital team
  - Service Centre
  - Contact Centre
  - Shop
  - Service Improvement
- **Legal**
  - Operations
  - Business Services (in Service Centre as of 1 Sept.)


This represents a maximum number of just over 400 Full time equivalent staff

All the above would be subject to Full business cases

CONFIDENTIAL

As noted above the maximum number of staff in scope would be just over 400 full time equivalents. Details on the specific sections within these departments proposed for consideration are included in Appendix I of the report. The budget represented by these services is shown below:

### Financial Case



	2017/18 Budget (£)
<b>Expenditure</b>	
Employee costs	14,131,349
Building costs	8,747
Vehicle costs	37,254
Supplies costs	1,565,337
Support Services costs	967,734
<b>Total Expenditure</b>	<b>16,710,421</b>
<b>Income</b>	
Grant income	-1,633,047
Recharges	-2,357,666
Revenue & other Income	-2,153,677
<b>Total Income</b>	<b>-6,144,390</b>
<b>TOTAL</b>	<b>10,566,031</b>

Direct cost of services considered in scope £15.7m

£2.1m of earned income

CONFIDENTIAL

- 1.2 The conclusion reached is that our existing back office services would provide more value to PCC and Plymouth through them being delivered via a public sector shared service provider and Delt is recommended as the best-fit. Based on that conclusion the recommendation is that functions are considered progressively and individually as candidates for migration to Delt

over the following 18 months to 2 years. This consideration to take the form of a detailed business case for each of the services, requiring political approval before any transfer takes place.

- 1.3 The context for this analysis involved a number of complex factors. Firstly, savings delivered from back office services are likely to be the product of:
- scale
  - automation and
  - productivity

these drivers are all made more achievable by moving the services to Delt where growth is part of the business plan, technology is the current core business and investment in people with a highly engaged and motivated workforce is part of the offer.

- 1.4 Secondly, the Sustainability and Transformation Plans (STPs) across the NHS are currently being clearly focused on delivering savings through shared services. In Devon this work is following parallel process to this case with Chief Executives of the major NHS commissioning bodies and providers considering their case for shared services in June. By default, the most obvious services to share would be those of other NHS service providers, however the opportunity to share services between health and local authorities offer access to additional value drivers for them and us which should be explored. The directive to the STPs suggests they need to have set these shared services up by April 2018 in order to start delivering savings thereafter.
- 1.5 The Delt business plan responds to the request from PCC and (the CCG) to describe an intention to grow the services it offers to partners and clients and the intention to bring new clients/partners into Delt. This intention is based on the expectations established in the business case that led to the creation of Delt. In turn the business case was based on a desire to develop more high value jobs within the economy in Plymouth, something Delt have succeeded in delivering.
- 1.6 The MTFs includes a budget saving in FY 18/19 of £2.17m, of which £500k is to be delivered from services in scope of these proposals, with a further £0.42m already projected in FY 19/20. Savings on this scale, coming on top of significant previous efficiency savings will require scale, automation and productivity to be raised in order to achieve that level of efficiency.
- 1.7 The challenges faced by the health sector are also leading to proposals that could see the realignment of the major service provider organisations and the commissioning bodies. These changes could mean that the New Devon CCG who are currently a co-owner with PCC in Delt could be consolidated into a new structure. In which case this will raise questions about whether Delt should provide services for the new structure or whether the new structure should review it's suppliers for ICT services and potentially source away from Delt.
- 1.8 Delt has proven over the last 2 years to be both a capable and sustainable service delivery vehicle delivering a range of outcomes and benefits to the Council and Plymouth, including:
- The most recent set of financial results (to March 31<sup>st</sup> 2017) shows that turnover of £14m delivered an operating surplus of £1.5m. As a result the company has been able to declare a distribution to shareholders of £600k, one year ahead of expectations in the original business plan. PCC's share of that distribution is £480k.
  - Budget savings of nearly £400k on the service charge for operating the IT systems for the Council between FY 16/17 and FY 17/18.

- The ROCE of the £1.5m operating surplus is 54%.
- Investment of £250k in 3<sup>rd</sup> party cyber security monitoring – helping minimise the impact of the recent (WannaCry) ransomware attack that hit the NHS in May 2017
- Extended opening hours from 8am – 5pm to 7.30am – 7pm at no additional cost
- In deploying shared care records across NEW Devon, 90% of GP Practices across Devon with 665,000 health records are now available to out of hours clinicians.

1.9 For all these reasons there appears to be an opportunity to migrate services into Delt in order to show the way to either Health or other peninsular based local authorities. In this way PCC would hope to move Delt from an organisation being ready to provide shared services to actually delivering shared services. This proposal would also support the commercial strategy by moving services into a vehicle with the support and motivation to maximise the commercial value of those propositions that are marketable.

1.10 The proposals made in this report were discussed at the Place and Corporate Overview and Scrutiny Panel on the 6 September 2017. The panel made a number of recommendations, which are detailed below alongside a proposed response:

Scrutiny Recommendation	Proposed Response
<b>1/. That the Scrutiny Committee support the mandatory outcomes as set out within the report, but with the addition of “Jobs and investment being retained on the peninsula”, and “that partners are based in the public or VCS sectors” as mandatory rather than desirable outcomes</b>	<u>Noted</u> , the Council will encourage Delt to continue to focus on public and VCS sector partners and to deliver jobs and investment on the peninsular (consistent with Delt’s constitution and business plan <sup>1</sup> ) but wishes to avoid attempting to place an absolute restriction on Delt’s future business by suggesting this is mandatory at this stage
<b>2/. That Plymouth City Council to work with DELT to achieve Trade Union recognition before proceeding to business case and service specification development</b>	<u>Accepted</u> , the consideration of business cases or service specifications will not be undertaken before engagement between Delt and Trade Unions has taken place. The Council are committed to finding an effective and scalable mechanism to safeguard the interests of staff working to deliver services for the Council
<b>3/. That Subject to recommendation 2, that a cross-party working group be established to consider the of business cases as they are developed</b>	<u>Accepted</u> , business cases and service specifications for services to be considered for transfer will be brought to the working group for pre decision consideration.
<b>4/. That Trade Unions in the council continue to be involved in the process through the Joint Strategic Consultative Forum</b>	<u>Accepted</u> , the Council remain committed to involving the Trade Unions throughout the process
<b>5/. That the Scrutiny Committee will further consider business cases and service specifications as and when they are developed</b>	<u>Accepted</u> , business cases and service specifications for services to be considered for transfer will be brought to Scrutiny for pre decision Scrutiny
<b>6/. That officers address the issues of future influence of councillors and future public sector ownership of DELT</b>	<u>Accepted</u> , officers are researching options and structures to be put in place to ensure that Councillors are able to engage with and have some oversight of Delt and other arm’s length organisations delivering services on behalf of the Council
<b>7/. That when considering which services to move to business case the Scrutiny Committee asks that Cabinet work within the principle that transactional services are considered first</b>	<u>Accepted</u> , the first phase of services considered for transfer will focus on transactional services.

<sup>1</sup> See links for more details:  
[www.deltservices.co.uk/about/visions-values](http://www.deltservices.co.uk/about/visions-values)  
[www.deltservices.co.uk/about/business-plan](http://www.deltservices.co.uk/about/business-plan)

## 2 Outcomes

- 2.1 Any change toward a different model for delivery of back office services will be required to demonstrate service improvement and savings/budget reductions where possible. Understanding and defining these outcomes is critical to our ability to evaluate the suitability of options. The following outcomes are proposed to be mandatory for any shared service model:
- 2.1.1 Customer/patient experience  
Through selecting partners appropriately, the shared service would be able to simplify and improve the experience delivered to their service users. This could take the form of rationalising contacts between different agencies as a result of better sharing of data – for example alignment of assessment processes for benefits, care and health. It could also provide opportunities to present a single front door to more services through co-location or even multi skilling and shared service provision. For internally focused services, such as payroll queries, the same logic would apply that a single front door for staff across the organisation would offer the opportunity for savings and/or service improvement. It is also important that the organisations contracting the shared service need to know that their customers are receiving a service level that is acceptable to them.
- 2.1.2 Delivery of savings through 'lowest' net cost per transaction/service  
Whilst delivery of savings is not the only driver for a solution it is expected that any recommendation for change should be demonstrably as cost effective as any other alternative service delivery mechanism (with the exception of an off shore service provider). In this way it should be impossible for an outsource proposition to sustainably deliver a lower cost per service / transaction than the proposed true shared service solution that Delt could deliver.
- 2.1.3 Resilience  
Services that have been reshaped over recent years, in response to austerity, are now vulnerable (to the point of failure) to the loss of one or two skilled resources. This outcome would require that solutions are assessed to ensure they provide some inherent improvement in the level of resilience of services provided. Through raising the scale of operation from supporting just one client to supporting multiple clients it will become possible to afford to employ more than one specialist in each field, such that if required there is cover for resources who have become a single point of failure.
- 2.1.4 Delivery of savings through 'lowest' annual cost to serve  
This outcome recognises that partners in the shared service should also be able to see how their combined scale and combined services can be leveraged to reduce the cost to serve each customer. It requires that the shared service is able to manage the services it provides with a view to maximising the value of each interaction and so reducing the overall number of interactions in order to reduce the cost to serve. For example, combining assessments for Housing Benefits with other social care and/or health needs assessments or simply having one payroll system/provision for a range of partners.
- 2.1.5 Provide service in line with agreed parameters  
Delt was established with a view to facilitating greater integration between public sector partners in the South West, by so doing the first 2 years of operation have proven that this way of working can also deliver savings. Within this context the implication of this outcome is that service standards can be agreed with the organisations contributing to the shared service

and that the cost of increasing the standards or the savings from reducing them can be modelled, shared with a client and an optimum cost to serve point agreed.

### 2.1.6 Positive business case – cashflow profile (NPV) & payback

Any investment made in pursuit of a shared service model needs to be considered as a formal business case with the payback period on the investment and the cashflow profile (net present value or otherwise) both deemed acceptable.

### 2.2.2 The following outcomes are proposed to be desirable for any shared service model:

#### 2.2.1 Jobs and investment retained in the region

Retaining high value roles within the region is proposed as a desirable rather than mandatory outcome. If a proposal was explored that offered say £1m savings on the basis that much of the work currently delivered in Plymouth was moved to Middlesbrough, for the sake of example, the prospect of being able to reinvest £1m back into front line services would require careful consideration. The impact of moving substantial numbers of jobs and the supply chain impact of this on the local economy would also have to be balanced against this.

#### 2.2.2 Partners in the shared service are based in the public sector or social/voluntary sector and also share the same customers or conduct the same business

This outcome proposes that our best partners will be those who understand the demands of a public sector service provider and either:

- Service an overlapping group of customers as other partners in the shared service, for example PCC and Derriford hospital, or
- Do the same thing in different geographies, for example Derriford hospital and Royal Devon and Exeter hospital.

The benefits of overlapping customers are that this should help us combine customer service functions to reduce the overall cost to serve. The benefits of partners doing the same thing is that economies of scale and common operating procedures should increase resilience in the service provision and reduce costs.

#### 2.2.3 Income generation

The ability to sell services to additional 3rd parties would be of benefit in at least 2 ways, firstly it would provide demonstrable evidence that the shared service model could achieve a market competitive cost to serve level. Secondly, the additional income and margin achieved on this could be used to invest further in the shared service model to reduce costs further.

#### 2.2.4 Note: assuming Delt is the delivery vehicle for income generation there are some limits on the extent and source of external revenue generation. Firstly as currently constituted PCC benefited from Delt being established under a “Teckal exemption” which allows public bodies to avoid the full extent of public procurement laws. This shortens the time and reduces the effort/cost of set up for a local authority. The exemption limits, to 20% of total turnover, the revenue generated from business outside of the public sector partner's. The exemption also demands that PCC would retain control over the service delivery similar to the level of control that it retains over in house service delivery. Secondly, the generation of additional revenue will be constrained by the investment Delt are able to make in sales and business development efforts. It is believed that currently the limited capacity on these functions are best spent focused on attracting business from other public sector clients/partners.

---

<sup>1</sup> Note: increasing the service revenue in Delt from PCC would increase the absolute amount that Delt are able to generate from commercial activity. Under current ownership arrangements 70% of the profit from this work would accrue to PCC.



- 2.2.5 One outcome specifically not included as either mandatory or desirable is the status quo on ownership of Delt. It is understood that for substantial organisations such as the major health providers to consider transfer of services to Delt they may require more control than a service specification and contract offers. In these cases PCC would be open to the option of considering options around future ownership models provided any future owners/co-owners honoured existing obligations such as Teckal and remained committed to the [Delt vision and values](#).

### 3 Delivery Options

- 3.1 The following list of delivery options have been considered:

3.1.1 Remain as is - PCC (Transactional) Service Centre

Specifically this option would deliver the development of the transactional service centre through the consolidation of HR Business Services with the Transaction Centre in Finance and the back office functions in Customer Services. The services would be managed consistently, with a single telephony platform, consolidated MIS and a restructure implemented to standardise spans of control and exploit economies of scale in support functions.

3.1.2. Optimise PCC Service Centre (add specialist services)

This option would look to co-locate the services consolidated in option 1, it would also look at the case for transferring specialist services and business partners into the service centre. Essentially it would be seeking to extend option 1 without requiring a major investment to replace systems.

3.1.3. Optimise & move to new ERP/Systems solution

This option builds on options 1 and 2 with an additional investment in replacement/enhancement of systems to enable more efficient processing through automation and productivity improvements.

3.1.4 Joint Venture

This option requires PCC selecting and contracting with a 3<sup>rd</sup> party private sector partner with whom we would agree to develop a joint venture to provide services to PCC, with a view to expanding the scope of the operation in time to other customers/partners in the venture.

3.1.5 Outsourcing

Under this option PCC would select and procure a provider of outsourcing services covering the back office. PCC would pay a fixed fee (likely to decline over time) for a defined set of outputs/outcomes from the services in scope. Changes to the required outcomes/outputs would be managed by change control to the contract.

3.1.6. Single partner shared services

PCC would find a partner organisation who wanted to share services in pursuit of similar outcomes. This option is illustrated by Delt which is the delivery vehicle for IT shared services with the CCG. Just as has been the case with Delt the shared service is then likely to seek additional customers/partners.

3.1.7 Multi partner shared services

PCC works with multiple other organisations who want to share services in pursuit of similar outcomes. This option is illustrated by Orbis in Surrey and LGSS where 3 partner organisations (Cambridgeshire, Northamptonshire and Milton Keynes Council) have formed a

multi partner shared service model and deliver services to the partners as well as a number of other public sector customers.

## 4 Initial Conclusion

- 4.1 The conclusion drawn from assessing these options against the identified criteria is that the best fit is likely to be the option of shared services with Delt as the starting point for the vehicle into which PCC places its services. This conclusion echoes the analysis and conclusion drawn when Delt was created and since then Delt have proven themselves as a capable and sustainable delivery vehicle for ICT services to both PCC and CCG. This report provides a more substantial justification for this conclusion through a recognised public sector business case to explore the arguments for and against this option in order to confirm or eliminate it from consideration. The balance of this report explores this analysis using the Treasury's 5 case model.

## 5 The 5 case model

- 5.1 Treasury guidance on how to justify public sector investment proposes 5 cases are explored in order to fully consider all elements of an investment decision such as this. The 5 cases are as follows:

- 1 The strategic case – describes the support the proposal provides to the strategic direction for the Council and our partners.
- 2 The economic case – describes the impact the proposal would have on the local economy.
- 3 The commercial case – explains how the procurement process would work and how the arrangements will be structured to ensure a good deal.
- 4 The financial case – explains how the proposal represents an affordable and funded deal structure.
- 5 The management case – describes how the work to deliver the proposal will be delivered and controlled.

A link to the [guidance issued by the Treasury](#) to explain the use of these cases is included in the related documents section of this report.

- 5.2 Each case is detailed and presented as a series of arguments and analysis proposing the changes, the risks and counter arguments for the change will also be described alongside mitigations. These sections are included as appendix A3 to A7 to this report.

Appendix I – Proposed phasing and scope of services to be transitioned

Scope of shared services operations - by organisation			
Department	Function	Phase	
HR	Payroll	1	
	Pensions	1	
	Recruitment	1	
	iTrent System Admin	1	
	Health and Safety	2	
	Business Partners	3	
	Organisation development and talent	3	
	HR Specialist Services	2	
Finance	<u>Transaction Centre</u>	1	
	Civica System Admin	1	
	Procurement	1	
	Financial Advisors	Not to be moved	
	Hard FM	Separate case	
	Soft FM	Separate case	
	Treasury management operations	2	
	Treasury management strategy	Not to be moved	
	<u>Assurance services</u>	2	
Commercial Enterprise	Not to be moved		
Financial Planning and Reporting	Not to be moved		
Integrated Finance	2		
Transformation Financial Analyst	Not to be moved		
Customer Services	Academy System Admin	1	Separated out from Customer Services in order to align all system admin in one place
	Customer Services	3	
	Digital Services	1	
	Registration	Not to be moved	
Libraries	Not to be moved		
Legal	Coroner	Not to be moved	
	Professional legal services	3	To a new vehicle with appropriate articles and ABS
	Electoral Services	Not to be moved	
	Operations	2	
Transformation	Portfolio office (all staff)	2	0

**Appendix 2 - Shared Service Options  
Evaluation**

Assessment criteria		Option 1 - Create a transactional centre for PCC	Option 2 - Optimise a PCC service centre	Option 3 - Move to new ERP/systems	Option 4 - Create a joint venture	Option 5 - Outsourcing	Option 6 - single partner shared service	Option 7 - Multi party shared service
Mandatory	Customer/patient experience	1	1	1	1	1	1	1
Mandatory	Transaction costs	1	1	1	1	1	1	1
Mandatory	Resilience	1	1	1	1	1	1	1
Mandatory	Cost to serve						1	1
Mandatory	Service levels	1	1	1	1	1	1	1
Mandatory	Business case	1	1	1	1	1	1	1
<b>Conclusion</b>		Possible staging not a destination	Possible staging not a destination	Possible staging not a destination	Possible staging not a destination	Possible staging not a destination	Pass	Pass
Desirable	Jobs and investment	5	5	5	4	3	4	4
Desirable	Partner fit						5	5
Desirable	Income generation	1	1	2	3	3	4	5
Desirable	Cross party support	5	5	3	2	2	5	5
Desirable	Duration to deliver	5	4	2	3	3	3	2
Desirable	Affordability of solution	5	3	1	3	3	3	3
Desirable	Benefits of solution	1	2	3	2	2	3	4
<b>Total (unweighted)</b>		<b>22</b>	<b>20</b>	<b>16</b>	<b>17</b>	<b>16</b>	<b>27</b>	<b>28</b>

Mandatory criteria require at least a score of 1 to pass

Desirable criteria scored out of a maximum of 5 (higher score more attractive)

1 = Very poor fit with desired outcome

2 = Limited fit with desired outcome

3 = Partial fit with desired outcome

4 = Good fit with desired outcome

5 = Optimal fit with desired outcome

### A3.1 The Strategic case

A3.1.1 There are a number of strategies/statements of direction that are supported by the proposal made in this case; specifically 5 are covered in this analysis:

- The Sustainability and Transformation Programme (STP) plans in Health
- The Joint Local Plan
- The Delt business Plan
- The Transformation and Change vision for the directorate
- Appeal of Delt to other public sector partners/customers

#### A3.1.2 The Sustainability and Transformation Programme (STP) plans in Health

A3.1.2.1 All STPs across the country have recently received guidance on the target savings expected from them and in the case of New Devon, the strategy to deliver these savings is to focus on combining back office services into shared services operations. The magnitude of the savings expected and the timescales are demanding - £5m in FY 17/18 followed by an additional £12m in FY 18/19 across a system that is estimated to cost £65m pa by that date (this is a saving of over 18%).

A3.1.2.2 Subject to approval of this case, when PCC start migrating services such as Payroll (for example) to Delt, this will demonstrate Delt's ability to operate as a true shared services provider (as opposed to an IT shared service provider). On that basis if partners in health provision are also convinced to move their services to Delt this will create scale and potential to automate which will contribute to the STP savings target and help improve customer/patient service provision through closer binding of across the health and social care system.

A3.1.2.3 Beyond the potential for sharing services to reduce costs if Delt can be positioned as a provider of back office services for the Council and Health providers it will enable closer integration of service delivery to citizens/patients/clients (whatever language best describes service users). For example, if HR advisory services for health and social care providers could be shared then it could present significant opportunities to integrate role profiles for staff from these organisations to remove existing duplication and create deeper specialisations. This could become evident to service users through easier access to the service and reduction in the number of visits and forms to complete.

#### A3.2 The Plymouth Plan / Joint Local Plan

A3.2.1 The proposed growth in shared services for Delt provides greater opportunity to develop high quality jobs for people in Plymouth and its travel to work areas. The breadth of opportunity for people in developing these skills is significant and has a linear benefit for the City in such areas as increased council tax receipts, reducing housing benefit payments with the wider value to both public care and health services.

A3.2.2 An independent socio-economic report commissioned by Delt in 2016 highlighted, in comparison to a simple outsourcing model, the £7.5m of GVA generated by Delt in Devon whilst supporting 153 full time posts in the County. The significant majority of these roles are based in Plymouth.

#### A3.3 The Delt Business Plan

- A3.3.1 Delt was created by the CCG and PCC with an overarching objective to build flexible, progressive and connected services for its customers that increases opportunities for collaborative working. This not only influences the transformation agendas in both health and social care; the delivery of a sustainable, cost effective shared service(s) contributes positively to the City and regional economy through the retention and development of quality jobs. The prevailing culture and ongoing aspiration of the company (aligned with its values) is a focus on employees who actively contribute and engage with wider society.
- A3.3.2 Analysis by Delt as part of the development of its business plan also suggests that the market they were created to operate within is undergoing a period of intense change with austerity impacting the system of Health and local authorities. The response to the pressure this is creating is to explore shared services which means that now that the original rationale for creating Delt enables the company to fulfil its objective or for other vehicles to emerge which will out compete Delt. As both co-owners of Delt and leaders in the health and social care system PCC have a vested interest in promoting the broader adoption of Delt across multiple partners in order that the system benefits as was intended when Delt was originally conceived.
- A3.3.3 Delt's business plan therefore talks about the need to achieve both horizontal and vertical service growth. Horizontal service growth would be for customers to adopt Delt as the delivery vehicle for additional services – which is what this case argues PCC should be doing. Vertical growth would be for Delt to acquire new customers for ICT and/or other services, which is what this case argues PCC should be promoting with other partners on the peninsular.
- A3.3.4 A Company employing up to 550 people (which is the approximate headcount Delt would reach on the basis of transferring the HR, Finance and Customer Service operations from PCC) would require a focus on organisational development to manage current and future skills requirements. Delt are working closely with education providers across Plymouth to develop a pipeline of skills for technical and professional roles. They will be one of the first employers in Plymouth to work with Plymouth University on the new school leavers degree apprenticeship for Digital Skills. This focus on quality jobs and skills supports the wider wellbeing of employees and consequently their families with the connected benefits of a reduced reliance on local health and social care services.

### A3.4 The Transformation and Change vision

A3.4.1 The Directorate has developed the following vision statement: “making things more efficient and simpler for staff and customers”. In combination with the Transforming the Corporate Centre programme It has also identified the following 4 strategic aims:

- Think Digital
- Think Customer
- Think Smarter
- Think Simpler

Together these components are setting the direction for project work and business as usual.

A3.4.2 The proposal to migrate services from PCC to Delt is entirely consistent with the goal of efficiency and simplicity for customers and staff. Assuming additional partners can be attracted to the shared services model the scale of operation will allow for efficiency through economies of scale. Simplification will be enabled through the extra investment possible in automation. There is also an opportunity to align roles in order to reduce the number of

contacts a customer requires in order to connect with services across what are currently separate public sector agencies.

A3.4.3 Moving back office services into Delt will also bring them closer to a management team with a current focus on technology capabilities. This should allow easier development of digital development in order to support customer service improvement.

A3.5 The appeal of Delt to other potential partners and customers

A3.5.1 The ability to demonstrate operation of the full range of back office services by Delt makes it a more attractive proposition to potential future partners and customers. This is partly because where a customer/partner wanted to use Delt for IT and say HR it wouldn't be forced into multiple contracts (or have to award a single contract to someone else on the basis that Delt couldn't demonstrate credibility on HR). It is also made more attractive because additional services add additional income streams and strength to the balance sheet, something that has been a concern of other potential customers in the past.

A3.6 Strategic risks

A3.6.1 No Council or other strategies have yet been found that contradict this proposal, however there are still risks at a strategic level that need to be considered. Firstly the risk that other partners won't be willing to join the shared services arrangement and secondly the risk that sharing requires compromise and a dilution of control/financial benefits. There is clearly a limit on the ability of PCC to mitigate the risk of partners not joining, the decision will be made by other organisations, all we can do is to specify our outcomes and principles to confirm a fit and then make partnering with us easy as possible. Senior officers from PCC and Delt are building relationships and understanding outcomes sought for each of the target organisations on the peninsular.

A3.6.2 The risk associated with the dilution of control and benefits is philosophical one at this stage, until the specific terms of a deal for shared services have been developed for consideration it is not possible to mitigate this risk, without establishing another strategy for reducing costs that doesn't involve other parties. PCC would however seek assurance from any potential new owner or co-owner of Delt that they would honour existing commitments such as Teckal and continue to support the vision and values of the organisation.

## A4 The Economic Case

- A4.1 The economic case for this proposal will be based on consideration of the impact of the proposal, and alternatives on the local economy<sup>2</sup>. This section of the case presents the options analysis that has focused our analysis down to the option of migrating PCC services to Delt. It then considers the economic impact of different models for shared services based on their location.
- A4.2 Section 3 of this case details the list of service delivery options considered as a long list of candidates to achieve the outcomes described in Section 2. Assessing the best fit option(s) to meet the outcomes has been done by considering how well each option might support the outcomes sought. The method was to score each option against the outcomes sought on the basis of 1 to 5 where 1 was either a pass mark for the mandatory options or the lowest score for the desirable outcomes and 5 was the highest score i.e. assessed as capable of meeting the outcome fully. The results of these option assessments are appended to this report in Appendix 2.
- A4.3 The outcome from this assessment is clear, the clear top scoring option is that of shared services either with one or more additional parties. On that basis consideration was given to what shared service vehicle could be used. Delt emerged as the favoured vehicle on the basis that it already exists, it is trading sustainably and was set up as a shared services organisation at the outset.
- A4.4 What the analysis also shows is the relative unattractiveness of options involving private sector partners, where a margin on the turnover of the business would be taken out of the public sector.
- A4.5 Settling on Delt as a vehicle for shared services delivery can then be compared against other choices in order to confirm the economics make most sense for Plymouth. For the sake of this case the following options have been modelled to try to predict the economic impact:
- Continue with a service centre – PCC only
  - Transfer PCC services to Delt
  - JV with a commercial partner to create a Plymouth/local service hub
  - Outsource to UK based (off peninsular) service hub
  - Outsource to global service hub
- A4.6 In order to model the economic impact we have had to make some assumptions to support the calculations:
- The number of staff (max) that could be involved in the services defined in scope
  - The % of these staff who live and contribute to the local economy
  - % of staff mix that could be moved out of Plymouth if the provider model hosted service delivery outside Plymouth
  - £ savings on the budget for the services that could be delivered by each of the options
- A4.7 On the basis of these assumptions we can compare options for service delivery based on the following outcomes:
- Assumed additional sales revenue delivered
  - Estimated budget savings based on efficiencies delivered
  - Modelled GVA impact on local economy

---

<sup>2</sup> The Treasury advice focuses on impact on the UK economy as a whole due to the remit of UK government.



- Estimated jobs impact on the local economy

A4.8 Comparing options for service delivery against these outcomes highlights the differences in the different service delivery options we would consider (all financial outcomes annual):

Option	Sales revenue	Budget savings	GVA impact	Jobs
Continue with the service centre (PCC only)	£0	£200k	£0	-7/8 FTE
Transfer to Delt	£100k	£570k	+£420k	- 19 to 23 FTE
JV creating a local hub	£100k	£570k	+£10k	No changes
Outsource to other UK hub	£100k	£570k	-£10.6m	-320 FTE
Outsource to global hub	£100k	£1.4m	-£10.6m	-320 FTE

Notes:

1. These figures are presented to support comparative analysis not as a basis for setting targets for this work.
2. The budget savings figures are gross and don't include any estimate for increased costs to manage the contract and relationship with Delt and other partners that PCC would also have to support.
3. GVA modelling assumes that the GVA impact of back office services overall is the same as for IT services alone.

A4.9 The conclusion from these estimated outcomes is that the GVA impact, which would follow from moving jobs off the peninsular, significantly outweighs the direct budget savings likely to accrue from these options. It is also clear that the option of retaining the services within PCC neither fails to address integration across organisations to achieve the maximum customer experience improvement nor does it deliver as much financial benefit as other options. This leaves the option of transferring to Delt and the option of creating JV around a Plymouth or local hub. Whilst there are relatively modest differences in the financial outcomes of these two options, the JV hub option would guarantee to protect jobs but extract profit from the public sector and likely the local economy. At this stage the option of a JV has been set behind transfer to Delt on the basis that the primary outcome sought by a commercial partner will be their profit, not the outcomes we have set out. It is believed that this fundamental misalignment is one of the reasons that deals like the BT/Cornwall deal and SouthWestOne have either failed or been significantly reduced in ambition and scope. In contrast public sector shared service models like the one between Northamptonshire, Cambridgeshire and Milton Keynes (LGSS) are growing whilst delivering savings to the organisations that participate in them. These are the same outcomes that Delt is being positioned to achieve through the proposals in this paper.

### A5 The Commercial Case

- A5.1 Delt was setup with exactly this type of shared service expansion in mind. Whilst it delivers only IT shared services at this juncture, it is not an IT shared service company. It is a legally constituted vehicle created to enable its shareholders to migrate and share services over time. The Teckal arrangement provides the ability for an ease of transition for new services as partners do not need to enter extensive procurement processes, Delt was created to ensure ease of transition for future services. This means that legal risks around company set up and operation are minimised through building on the existing capability in Delt.
- A5.2 Delt has delivered a breadth of significant benefits for all stakeholders in its very short existence and continues to drive benefits as it matures aligned to its vision of being better, faster and cheaper.
- a) The most recent set of financial results (to March 31<sup>st</sup> 2017) shows that turnover of £14m delivered an operating surplus of £1.5m. As a result the company has been able to declare a distribution to shareholders of £600k, one year ahead of expectations in the original business plan. PCC's share of that distribution is £480k.
  - b) Budget savings of nearly £400k on the service charge for operating the IT systems for the Council between FY 16/17 and FY 17/18.
  - c) The ROCE of the £1.5m operating surplus is 54%.
  - d) Investment of £250k in 3<sup>rd</sup> party cyber security monitoring
  - e) Extended opening hours from 8am – 5pm to 7.30am – 7pm at no additional cost
  - f) In deploying shared care records across NEW Devon, 90% of GP Practices across Devon with 665,000 health records are now available to out of hours clinicians.
- A5.3 The original vision for Delt will allow for the transfer of services with a level of transparency and expediency that wouldn't exist in any commercial outsourcing arrangement. The ownership structure of Delt also ensures that value created in Delt is retained in the local public sector rather than transferred to the private sector.
- A5.4 Whilst there remains an option to setup another company this would be time and cost prohibitive in light of that in depth preparation already being completed in setting up Delt. For reference, the investment required to create Delt amounted to around £1m and took a year to complete this work, with considerable management time and attention diverted from other priorities to achieve this. The use of Delt as a vehicle for PCC and other organisations to deliver services through could save this amount of time and money.
- A5.5 The commercial case for the migration of specific services from PCC to Delt will need to be subject to more detailed analysis. This would include cost and activity benchmarking to substantiate claims over the value for money of such proposals. Key to this analysis will be the specification of outcomes required from the service regardless of how it is delivered. On the basis of the service specification Delt can price for the delivery of service and PCC can assess the extent of the gap between the "as is" service delivery capability and the required specification. The more extensive the gap the more care should be given to whether the service is suitable for transfer. In some case it may pay us to consider investment in a service before then looking to transfer it.
- A5.6 The development and consideration of the commercial case for each service will therefore require input from across the organisation to ensure that users of the services are involved in specifying what they require. The management case in section 10 of this document describes the governance arrangements that will support the commercial controls required.

A5.7 The main risks associated with the commercial case are that the expectations of the organisation are not adequately described in the service specification. If that occurs Delt will either deliver services that are not valued or required by PCC and/or the service provided by Delt would be insufficient to meet PCC's needs. This type of issue is frequently a problem for any change to the delivery vehicle for a service where informal expectations on the service are translated into a form of contract. This risk is best mitigated by active and ongoing contribution to the specification of clear service outcomes by responsible representatives from across the business.

## A6 The Financial Case

A6.1 The use of Delt as a vehicle for service delivery to PCC and ultimately shared service delivery if other parties can also be persuaded to join will accelerate the delivery of benefits. The alternative for PCC would be to create another vehicle to deliver these services, which would be likely to require at least a year of set up effort. In addition to the sunk cost of time spent on staff consultation and general logistics, the directly attributed setup costs for Delt totalled £1.0M, a cost shared between PCC and the CCG. Whilst this was offset by a £500k government grant, there is still a significant cost required in creating a new vehicle when one already exists.

A6.2 As discussed in Section 8 above each service for possible transfer will be considered as a separate case. The financial elements of these cases will comprise at least a 5 year projection of the following:

- Current revenue budget to provide service
- Future recurring revenue budget to provide service
- Future non recurring revenue budget to provide service
- Current capital expenditure to enable service delivery
- Future capital expenditure to enable service delivery

In addition the financial case will also need to consider the transition costs such as the cost of consultation, the cost of pension shortfalls at the point of TUPE and the cost of any additional client function necessitated by the move of the service.

A6.3 Each subsequent case will also have to address the issue of how to manage residual overhead costs. These issues will materialise in questions of how to manage the reallocation of corporate recharges if the Transformation and Change Directorate is reduced to nearly nothing and can't in future pay its share.

A6.4 Subsequent service specific cases will also have to include the costs (and benefits) associated with the division of responsibilities between client and supplier. PCC will retain roles such as the Section 151 and Monitoring Officers – these are responsibilities and accountability that cannot be transferred. In addition, it will also retain a set of small strategic functions able to direct Delt based on agreed strategy defined by PCC. These functions would also be used to formalise and filter service requests going into Delt, something we do little of today as requests to Finance for example are unfiltered and can bypass the business partners going straight to parties with whom the business have had long standing relationships. Formalising the routes for IT service requests into Delt and filtering them to make sure they are clear about what they want and are asking for capability not already paid for by PCC has contributed to the £400k pa reduction in the unitary charge from Delt to PCC.

A6.5 The retained strategic function requires a skill set that may or may not be currently present within PCC. Where it isn't available to us, some of the savings in the service specific business cases will be used to recruit externally to source these skills. For the purpose of this case it is assumed that the cost of these roles would be borne out of the savings they will deliver and therefore no incremental cost has been shown in this analysis.

A6.6 In order therefore to determine the appropriate way to client Delt for both ICT and other services PCC need to decide whether or not to treat Delt as an outsource provider or a partner (A40% owned). The opportunity is for PCC to reduce to a minimum the cost and time that would be needed to manage a commercial contract by holding Delt to account for service delivery as it does any other internal service – via line and performance management. This would require changing the mindset that services in Delt are outsourced though. At this

point it might be helpful to consider other language to describe the PCC's strategy with regard to Delt, instead of outsourcing it could be cross or shared sourcing.

- A6.7 The main risk to the Financial case is that PCC seek to recruit an excessive strategic function, attempting to manage Delt as an outsource provider. Whilst PCC will require some strategic function to be retained around each service transferred, it should be remembered that Delt is partially owned by PCC making contract management less onerous than would be the case in dealing with a private sector provider. This is the difference between outsourcing and cross or shared sourcing. Adopting this mindset and achieving cross organisational support to the construct of service specifications will mitigate this risk.

## **A7 The Management Case**

- A7.1 As outlined in this case (if approved) is a precursor to more detailed analysis required to define the services for potential transfer to Delt and the benchmarks etc to be achieved. It is proposed that the governance for the development of proposals for services to transfer would sit with the Transforming the Corporate Centre Programme (TCC), and the final decision on transfer of services would be recommended by CMT to Cabinet.
- A7.2 In order to minimise the time spent on decision making and the analysis to support this transfers of service are being considered over 3 tranches. Tranche one would be aimed for during 2017 and would consist of “pilot” services considered to have well defined service specifications and manageable gaps between their as is state and the state defined in the service specification, they would also need to be readily and cheaply separable from other services retained in PCC. These services might be transferred on the basis of secondment initially in order to prove the concept and in recognition that Delt are in the process during 2017 of developing a Delt operating model and culture that would allow for large scale induction of additional staff. Until this work is concluded secondment would be the only viable way of managing a transition of staff, with TUPE subsequently implemented when Delt is ready and PCC are comfortable with the results of the pilot. At this stage, multiple services are being considered in this tranche – Payroll/Pensions, systems admin functions, Customer Services, financial transactions and Procurement. Appendix I shows the services allocated to each tranche for consideration to transfer.
- A7.3 The investment required to deliver the transfer of services would cover the following:  
Business change capacity to support consultation of staff and transition management  
Specification of service outcomes and benchmarking/target setting  
The business change requirement has already been recognised as critical for the TCC work and is factored into costings for this programme, no additional costs are proposed to support business change as part of this proposal. The service specification and benchmarking will require project management support and some BA resource as well as commitment from across the business to participate in specification and review sessions on the service specifications. This work is an additional call on resource capacity within Transformation and across the organisation. At this stage an order of magnitude assessment of this capacity has been made as follows:  
1 x Project manager for 2 years  
1 x Business analyst for 2 years  
At least 20 hours business stakeholder input per service proposed for transfer
- A7.4 The organisation design of one or more client functions to oversee PCC’s interests in the delivery of services transferred to Delt needs more work before this case can be completed. This section needs to describe the role(s) and accountabilities that will ensure that the public sector investment represents good value to tax payers.
- A7.5 Delt are preparing for growth of services through undertaking an organisational development programme which will allow them to induct high volumes of new staff from 2018 onwards. As previously noted in this case, this work is vital to create a sense of what Delt is and how it operates so that staff transferring know what Delt offers them by way of career and personal development opportunity. It is also vital so that Delt “professionalise” their service delivery which is inconsistent currently, dependent upon the staff member handling the request. This needs to be changed so that there are consistent service standards that all members of staff working for Delt follow and that PCC and Delt’s other clients have helped define.

- A7.6 The other implication associated with the approval of this case is that PCC need to ensure that our commitment to Delt as a shared service delivery is used to encourage other partners to join in too. This is effectively a sales campaign to attract more business for Delt. It will require agreement on which potential partners we target and whether we prioritise efforts within this list.
- A7.7 The key risks to the management case are that the investment of resources across the organisation can't be supported. This risk will be resolved through prioritisation. In addition there is a risk as noted to the strategic case that partners cannot be persuaded to join Delt. If there is no appetite from Partners to join Delt, then PCC would have to look at whether the services then provided to it from Delt could be migrated (or Delt merged with) whoever was supplying the same services to other partners.

**This page is intentionally left blank**



## STAGE I: WHAT IS BEING ASSESSED AND BY WHOM?

What is being assessed - including a brief description of aims and objectives?

### Back Office Services

This report this EIA accompanies recommends to Cabinet a shared services strategy for back office services based on a strategic outline business case. The following options have been considered and are rejected as a result of the approval of the recommendations made in this report:

- Services to remain in house
- Transfer services into joint venture with a private sector partner
- Transfer services into an outsourced operation with a private sector operator
- Transfer services to a public sector provider of shared services (Delt)

The recommendation is that Delt is adopted as the default vehicle for delivery of back office services for the Council. Procurement and Payroll services are recommended as the first 2 services to migrate to Delt.

Transfers of service are being considered over 3 tranches. Tranche one would be aimed for during 2017 and would consist of “pilot” services considered to have well defined service specifications. These services might be transferred on the basis of secondment initially in order to prove the concept, with TUPE subsequently implemented when Delt is ready and PCC are comfortable with the results of the pilot. At this stage 2 services are being considered in this tranche – Payroll/Pensions and Procurement.

The potential impacts from the subsequent transfer of service cannot be fully identified at this stage. Cases will be advanced to describe the transition of services over the course of the next 18 months to 2 years. Each service will have its own case for change and these will be subject to Equality Impact Assessment as they are made. As cases are developed we will continue to improve our understanding of customers’ needs through our customer insight functions and processes and seek to maintain our existing good practices, e.g.:-

- Our policy of digital by preference to meet the needs of older people with less well developed ICT skills;
- Providing customer services from buildings which provide a high standard of access for

	<p>disabled people.</p> <ul style="list-style-type: none"> <li>Ensuring the availability of simple service interactions 24 / 7 enabling customers to access and request services at times and locations convenient to their needs e.g. at times around religious events or commitments.</li> <li>Provision and availability of facilities e.g. baby change/breast feeding in 1<sup>st</sup> stop shop location on ground floor.</li> </ul> <p>The report sets out the services allocated to each tranche for consideration to transfer at Appendix 3. It is proposed that the governance for the development of proposals for services to transfer would sit with the Transforming the Corporate Centre Programme (TCC), and the final decision on transfer of services would be recommended by CMT to Cabinet.</p> <p>Where any changes to structures or service delivery arrangements lead to redundancies, we will ensure that staff are not unfairly selected for redundancy e.g. on bases of them having a particular protected characteristic within the Equality Act 2010.</p>
<b>Author</b>	Kevin Mckenzie
<b>Department and service</b>	Policy and Intelligence Team, Chief Executives Dept.
<b>Date of assessment</b>	02/06/17

**STAGE 2: EVIDENCE AND IMPACT**

Protected characteristics (Equality Act)	Evidence and information (eg data and feedback)	Any adverse impact <small>See <a href="#">guidance</a> on how to make judgement</small>	Actions	Timescale and who is responsible																		
<b>Age</b>	<p><b>Workforce</b></p> <table border="1"> <thead> <tr> <th>Age</th> <th>Count</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>16-20</td> <td>11</td> <td>3%</td> </tr> <tr> <td>21 - 30</td> <td>45</td> <td>14%</td> </tr> <tr> <td>31- 40</td> <td>65</td> <td>20%</td> </tr> <tr> <td>41-50</td> <td>110</td> <td>34%</td> </tr> <tr> <td>51-60</td> <td>83</td> <td>25%</td> </tr> </tbody> </table>	Age	Count	%	16-20	11	3%	21 - 30	45	14%	31- 40	65	20%	41-50	110	34%	51-60	83	25%	<p>There could be impacts from the transfer of staff on pensions arrangements and our commitment to apprentice programme.</p> <p>No adverse impacts on the community are anticipated from the</p>	<p>The Transfer of Undertaking's and Protection of Employment Regulations will apply and this will require that a similar pensions arrangement is put in place.</p>	<p>TCC programme lead 2017 – 19.</p>
Age	Count	%																				
16-20	11	3%																				
21 - 30	45	14%																				
31- 40	65	20%																				
41-50	110	34%																				
51-60	83	25%																				

	<table border="1"> <tr> <td>61-70</td> <td>13</td> <td>4%</td> </tr> <tr> <td>70+</td> <td>1</td> <td>0%</td> </tr> </table> <p><b>Community</b>                  The average age in Plymouth (39.0 years) is about the same as the rest of England (39.3 years), but less than the South West (41.6yrs).                  Of the 16 SW authorities we have the third lowest percentage of older people (75), and the fifth highest percentage of children and young people (under 18). Children and young people (CYP) under 18 account for 19.8 per cent of our population, within this 88.8 per cent are under 16.                  The proportion of people living in our community who are aged over 65 years old is predicted to in excess of 59,000 by 2031, an increase of 28%.                  Older people struggle to achieve the highest standard of physical and mental health due to age related illness, e.g. declining eye sight and hearing, physical frailty, trips and falls and dementia.                  Older people may have retired before home computers (PCs) became widely used in the workplace.</p>	61-70	13	4%	70+	1	0%		specific proposals in the report.	Delt will be actively encouraging apprenticeships for any and all services under its management as a central thread of its People Plan.  The company is fully committed to maintaining a pipeline of skills and expertise.													
61-70	13	4%																					
70+	1	0%																					
<p><b>Disability</b></p>	<p><b>Workforce</b></p> <table border="1"> <thead> <tr> <th>Disability Status</th> <th>Count</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Disabled</td> <td>20</td> <td>5%</td> </tr> <tr> <td>Not disabled</td> <td>156</td> <td>40%</td> </tr> <tr> <td>Declined to specify</td> <td>4</td> <td>1%</td> </tr> <tr> <td>Not recorded</td> <td>204</td> <td>53%</td> </tr> <tr> <td>Not known</td> <td>3</td> <td>1%</td> </tr> </tbody> </table>	Disability Status	Count	%	Disabled	20	5%	Not disabled	156	40%	Declined to specify	4	1%	Not recorded	204	53%	Not known	3	1%		Recording of workforce personal data around the characteristic is low.  Any new office base will need to be accessible to meet the needs of disabled staff.  No adverse impacts on the community are anticipated from the	The low recording rate is reflected in wider corporate data. This is being addressed through a separate workforce wide programme led by our HR department.  At present it is not envisaged that staff will transfer to	TCC programme lead/HR 2017 – 19.
Disability Status	Count	%																					
Disabled	20	5%																					
Not disabled	156	40%																					
Declined to specify	4	1%																					
Not recorded	204	53%																					
Not known	3	1%																					

	<p><b>Community</b>                  A total of 31,164 people (from 28.5 per cent of households) declared themselves as having a long-term health problem or disability (national figure 25.7 per cent of households), compared with the total number of people with disabilities in UK (11,600,000).                  10 per cent of our population have their day-to-day activities limited a lot by a long-term health problem or disability.                  1,297 adults registered with a GP in Plymouth have some form of learning disability (2013/14).                  Plymouth schools report that of every 1,000 children 17.5 have a learning difficulty.</p>	<p>specific proposals in the report.</p>	<p>different premises, staff access needs will be considered as cases are developed.</p>																						
<p><b>Faith/religion or belief</b></p>	<p><b>Workforce</b></p> <table border="1" data-bbox="465 683 947 1185"> <thead> <tr> <th>Faith</th> <th>Count</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Buddhist</td> <td>4</td> <td>1%</td> </tr> <tr> <td>Christian</td> <td>104</td> <td>27%</td> </tr> <tr> <td>None</td> <td>91</td> <td>24%</td> </tr> <tr> <td>Other</td> <td>4</td> <td>1%</td> </tr> <tr> <td>Prefer not to say</td> <td>5</td> <td>1%</td> </tr> <tr> <td>Not known</td> <td>179</td> <td>46%</td> </tr> </tbody> </table> <p><b>Community</b>                  84,326 (32.9 per cent) of the Plymouth population stated they had no religion.                  Those with a Hindu, Buddhist, Jewish or Sikh religion combined totalled less than 1 per cent.                  Christianity: 148,917 people (58.1 per cent), decreased from 73.6 per cent since 2001.</p>	Faith	Count	%	Buddhist	4	1%	Christian	104	27%	None	91	24%	Other	4	1%	Prefer not to say	5	1%	Not known	179	46%	<p>Recording of workforce personal data around the characteristic is low.                   No adverse impacts on our workforce or the community are anticipated from the specific proposals in the report.</p>	<p>The low recording rate is reflected by wider corporate data. This being addressed through a separate workforce wide programme led by our HR department.</p>	<p>HR 2017 – 19.</p>
Faith	Count	%																							
Buddhist	4	1%																							
Christian	104	27%																							
None	91	24%																							
Other	4	1%																							
Prefer not to say	5	1%																							
Not known	179	46%																							

	<p>cent), doubled from 0.4 per cent since 2001.                  Buddhism: 881 people (0.3 per cent), increased from 0.2 per cent since 2001.                  Hinduism: 567 people (0.2 per cent) described their religion as Hindu, increased from 0.1 per cent since 2001.                  Judaism: 168 people (0.1 per cent), decreased from 181 people since 2001.                  Sikhism: 89 people (less than 0.1 per cent), increased from 56 people since 2001.                  0.5 per cent of the population had a current religion that was not Christianity, Islam, Buddhism, Hinduism, Judaism or Sikh, such as Paganism or Spiritualism.</p>												
<p><b>Gender - including marriage, pregnancy and maternity</b></p>	<p><b>Workforce</b></p> <table border="1" data-bbox="465 667 1039 791"> <thead> <tr> <th>Gender</th> <th>Count</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Female</td> <td>266</td> <td>69%</td> </tr> <tr> <td>Male</td> <td>121</td> <td>31%</td> </tr> </tbody> </table> <p><b>Community</b>                  Overall 50.6 per cent of our population are women and 49.4 per cent are men: this reflects the national figure of 50.8 per cent women and 49.2 per cent men.                  There were 3280 births in 2011. Birthrate trends have been on the increase since 2001, but since 2010 the number of births has stabilised.</p>	Gender	Count	%	Female	266	69%	Male	121	31%	<p>There is potential for an adverse impact arising from changed terms and conditions. Given the high proportion of female staff this is particularly the case around maternity and flexible working arrangements.</p> <p>No impacts on the community are anticipated from the specific proposals in the report.</p>	<p>Delt have indicated they will offer enhanced maternity arrangements, however this may be offset by a reduction in flexi time allowance and longer working week.</p> <p>TUPE will apply and this will mean that changes to staff terms and conditions will be subject to negotiation with Trade Unions.</p>	<p>TCC programme lead/HR 2017 – 19.</p>
Gender	Count	%											
Female	266	69%											
Male	121	31%											
<p><b>Gender reassignment</b></p>	<p>We do not collect workforce data on Gender Reassignment.</p> <p><b>Community</b>                  Recent surveys have put the prevalence of transgender</p>	<p>PCC has specific HR policies in relation to transitioning staff.</p> <p>No adverse impacts on</p>	<p>TUPE will apply and this will mean that changes to staff terms and conditions will be subject to</p>	<p>TCC programme lead/HR 2017 – 19.</p>									

	<p>people between 0.5 and 1% of population (some very recent reports have upped this to 2%). Over the last 8 years the prevalence of transgendered people in the UK has been increasing at an average rate of 20%+ per annum in adults and 50% for children. In 2015 there was a 100% increase in referrals to the Gender Identity Development Service at the Tavistock &amp; Portman Institute.</p>	<p>the community are anticipated from the specific proposals in the report.</p>	<p>negotiation with Trade Unions.</p>																																					
<p><b>Race</b></p>	<p><b>Workforce</b></p> <table border="1" data-bbox="465 480 1137 1177"> <thead> <tr> <th>Race</th> <th>Count</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Any other Asian Background</td> <td>1</td> <td>0%</td> </tr> <tr> <td>Any other Ethnic background</td> <td>1</td> <td>0%</td> </tr> <tr> <td>Any other White background</td> <td>7</td> <td>2%</td> </tr> <tr> <td>Black British - African</td> <td>1</td> <td>0%</td> </tr> <tr> <td>Black British - Caribbean</td> <td>2</td> <td>1%</td> </tr> <tr> <td>Chinese</td> <td>2</td> <td>1%</td> </tr> <tr> <td>Mixed White and Asian</td> <td>1</td> <td>0%</td> </tr> <tr> <td>Not declared</td> <td>10</td> <td>3%</td> </tr> <tr> <td>White British</td> <td>338</td> <td>87%</td> </tr> <tr> <td>White Irish</td> <td>1</td> <td>0%</td> </tr> <tr> <td>Blanks</td> <td>23</td> <td>6%</td> </tr> </tbody> </table> <p><b>Community</b> 92.9 per cent of Plymouth’s population identify themselves as White British. 7.1 per cent identify themselves as Black and Minority Ethnic (BME) with White Other (2.7 per cent), Chinese (0.5 per cent) and Other Asian (0.5 per cent) the most common ethnic groups.</p>	Race	Count	%	Any other Asian Background	1	0%	Any other Ethnic background	1	0%	Any other White background	7	2%	Black British - African	1	0%	Black British - Caribbean	2	1%	Chinese	2	1%	Mixed White and Asian	1	0%	Not declared	10	3%	White British	338	87%	White Irish	1	0%	Blanks	23	6%	<p>No adverse impacts on our workforce or the community are anticipated from the specific proposals in the report.</p> <p>Some BME communities may be attracted to a career with Delt who would not normally consider a public sector career and this may help to address the current under-representation of these communities in our workforce.</p>	<p>N/A</p>	
Race	Count	%																																						
Any other Asian Background	1	0%																																						
Any other Ethnic background	1	0%																																						
Any other White background	7	2%																																						
Black British - African	1	0%																																						
Black British - Caribbean	2	1%																																						
Chinese	2	1%																																						
Mixed White and Asian	1	0%																																						
Not declared	10	3%																																						
White British	338	87%																																						
White Irish	1	0%																																						
Blanks	23	6%																																						

	<p>Our recorded BME population rose from 3 per cent in 2001 to 6.7 per cent in 2011, and therefore has more than doubled since the 2001 census.</p> <p>Recent census data suggests we have at least 43 main languages spoken in the city, showing Polish, Chinese and Kurdish as the top three.</p>												
<p><b>Sexual orientation - including civil partnership</b></p>	<p><b>Workforce</b></p> <table border="1" data-bbox="465 424 1182 576"> <thead> <tr> <th>Sexual Orientation</th> <th>Count</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Heterosexual</td> <td>3</td> <td>1%</td> </tr> <tr> <td>Blanks</td> <td>384</td> <td>99%</td> </tr> </tbody> </table> <p><b>Community</b></p> <p>There is no precise local data on numbers of Lesbian, Gay and Bi-sexual (LGB) people in Plymouth, but nationally the government have estimated this to be between 5 - 7 per cent and Stonewall agree with this estimation given in 2005. This would mean that for Plymouth the figure is approximately 12,500 to 17,500 people aged over 16 in Plymouth are LGB. There are 464 people in a registered Same-Sex Civil Partnership.</p>	Sexual Orientation	Count	%	Heterosexual	3	1%	Blanks	384	99%	<p>Recording of personal data around the characteristic is very low.</p> <p>No adverse impacts on our workforce or the community are anticipated from the specific proposals in the report.</p>	<p>We have only recently begun to capture this data.</p>	<p>HR 2017 – 19.</p>
Sexual Orientation	Count	%											
Heterosexual	3	1%											
Blanks	384	99%											

**STAGE 3: ARE THERE ANY IMPLICATIONS FOR THE FOLLOWING? IF SO, PLEASE RECORD ACTIONS TO BE TAKEN**

Local priorities	Implications	Timescale and who is responsible
<p><b>Reduce the gap in average hourly pay between men and women by 2020.</b></p>	<p>Currently Plymouth City Council has set an Equality Objective to reduce the Gender Pay Gap that runs up until 2020. Delt is an accredited Living Wage employer. The Living Wage commitment will see everyone working at Delt, regardless of whether they are permanent employees or third-party contractors; receive a minimum hourly wage of £8.25. This will assist in ensuring Gender Pay parity in the workforce.</p>	<p>N/A</p>
<p><b>Increase the number of hate crime incidents reported and</b></p>	<p>Currently Plymouth City Council has an Equality Objective to increase hate crime reporting that runs up until 2020. We will seek to agree</p>	<p>TCC</p>

<b>maintain good satisfaction rates in dealing with racist, disablist, homophobic, transphobic and faith, religion and belief incidents by 2020.</b>	with Delt that they cooperate in practical ways to ensure we are assisted to meet our target.	
<b>Good relations between different communities (community cohesion)</b>	Unemployment is recognised as a key driver of poor community cohesion. These proposals will retain jobs in the local community and may therefore be expected to make a positive contribution to Community Cohesion.	N/A
<b>Human rights</b> Please refer to <a href="#">guidance</a>	None in relation to first tranche of transfers.	N/A

**STAGE 4: PUBLICATION**

Responsible Officer

Date

Director, Assistant Director or Head of Service



**PLYMOUTH CITY COUNCIL**

**Subject:** Business Rates Discretionary Relief Scheme 2017-18  
**Committee:** Cabinet  
**Date:** 26 September 2017  
**Cabinet Member:** Cllr Darcy  
**CMT Member:** **Andrew Hardingham**  
**Author:** Stephen Coker (Principal Technical Accountant)  
**Contact details:** Tel 01752 304978  
 Stephen.coker@plymouth.gov.uk  
**Ref:**  
**Key Decision:** Yes  
**Part:** I

---

**Purpose of the report:**

In the spring budget 2017 the Chancellor announced that there would be £300m available over 4 years to support those businesses affected by the 2017 revaluation. Plymouth has been awarded the following amounts for relief as follows:

2017/18	2018/19	2019/20	2020/21
£0.443m	£0.215m	£0.089m	£0.013m

This report sets out the proposed scheme for Plymouth City Council which has been developed in conjunction with other Devon Authorities.

---

**The Corporate Plan 2016/19:**

There are no implications for the Corporate Plan.

---

**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land:**

There are no resource implications for the MTFS.

---

**Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

There are no implications.

---

**Equality and Diversity:**

No groups are expected to be impacted by this policy.

---

**Recommendations and Reasons for recommended action:**

- I. That Cabinet recommends the Business Rates Discretionary Relief Scheme set out below.
- 

**Alternative options considered and rejected:**

The scheme proposed is designed to offer financial relief to those most affected by the 2017 rates revaluation. The proposed scheme includes parameters which have been developed in conjunction with the other Devon authorities and are aimed to provide maximum relief to those facing the most hardship as a result of the 2017 revaluation.

---

**Published work / information:**

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7

---

**Sign off:**

Fin	pl1718.100	Leg	lt/28964	Mon Off		H R		Ass ets	IT	Strat Proc	
Originating SMT Member Andrew Hardingham											
Has the Cabinet Member(s) agreed the content of the report? Yes											

**I. Business Rates Revaluation Discretionary Relief Scheme 2017/18**

1.1 In the spring budget 2017 the Chancellor announced that there would be £300m available over 4 years to support those businesses affected by the 2017 revaluation. Plymouth has been awarded the following amounts to offer as relief:

2017/18	2018/19	2019/20	2020/21
£0.443m	£0.215m	£0.089m	£0.013m

The funding received from Government cannot be carried forward into future years so all efforts will be made to allocate all of the available funding. Any unallocated monies are at risk of being returned to government.

1.2 The Scheme has been developed in conjunction with the other Devon Authorities. It was agreed that these can be flexed to suit each Authorities local needs.

1.3 In order to administer the scheme efficiently 80% of the money available will be awarded on a formula basis. The remaining 20% will be awarded on an individual case by case basis where the criteria below is not met. Officers will monitor the award of relief throughout the year to ensure as far as possible all funds are spent.

1.4 The Devon scheme formula based scheme has suggested the following rules:

	<b>Rule</b>	<b>Criteria</b>
1	Occupied Premises only	Must be occupied on 31/3/17
2	Excludes Public Bodies	Generally covered by other relief schemes
3	Rateable Value threshold	Maximum of £0.200m.
4	Local businesses only	Scheme should support local Businesses only
5	Mandatory Relief	Those in receipt of 80% relief should be excluded from scheme (PCC also excludes those in receipt of Small Business Rate Relief)
6	Minimum Increase	Only included if net rates payable increases by more than 2% and £50 (PCC £200)
7	Maximum Payment	£1,000 (PCC £5,000)
8	Public Houses	Excluded as they are supported by a separate scheme offering £1,000.
9	Certain types of Business Excluded	Such as betting establishments, cash converters

1.5 The criteria above will be used to select those hereditaments that will qualify for the formula based part of the scheme.

1.6 The proposed Plymouth scheme has been modelled using the above criteria with rules 5, 6 and 7 highlighted above using different amounts.

- 1.7 Applying the criteria above to Plymouth's Hereditaments of 7,700 generates a list of approximately 300 properties that would qualify for this relief. The total amount paid would be £0.340m, leaving £0.103m for individual case by case relief.
- 1.8 The aim is to publish the relief scheme in October and make payments by the end of November. Those in receipt of the relief in 2017/18 would also receive a proportional amount in 2018/19.
- 1.9 It is recommended that the Devon based criteria is adopted with the exception of the 3 rules highlighted above which will be flexed by PCC to make best use the funds available.