OPTION 1 – DO NOTHING

What it means   Retain Existing IT System
Retain existing ways of working

Advantages   The only advantage to be gained by taking this option is that in the short term there is little work to do.

However to do nothing is contrary to the principles of Best Value.

Disadvantages

- It would be impossible to sustain the existing levels of service and performance.

- Extra resources would be needed to maintain and develop the existing IT system if Derbyshire Dales decide to end partnership by purchasing a new system.

- The existing system is based on "old" technology, which means that the Council relies heavily on specialist knowledge of this system, which in itself is a considerable risk.

- The Council could not implement the verification framework, which may eventually become statutory. In any event this will lead to an adverse report from the Benefit Fraud Inspectorate.

- SDDC would not be able to embrace the e-government requirements without considerable investment.

- It would be difficult for the Council to work in closer partnership with other neighbouring authorities to share expertise. Indeed the amount of partnership could reduce if Derbyshire Dales follow through with the arrangement to purchase a new system.

- Projecting potential levels of Housing Benefit Subsidy continues to be a problem. The existing system does not allow the Council to project levels of benefit subsidy – which can have a considerable impact on the Council's budget.

- Staffing and recruitment – using a more up to date system can aid training and recruitment of new staff, who are more likely to be familiar with the new system or at least the technology that it is based upon.

What it means

- ❖ New IT System – procured in partnership with other Districts
- ❖ Closer working/sharing of expertise with other Districts

Advantages

The advantages of taking this option are as follows:-

- It would be possible to sustain, if not improve, the existing levels of service and performance.

- The council would be able to embrace the e-government strategy and provide a solid platform upon which future new initiatives could be built.

- The new system would place the Council in a better position to implement the verification framework and take advantage of Government Concessions that may spring from its implementation.

- This option would enable the Council to provide customers with increased accessibility.

- The Council would retain responsibility for the delivery of all of the core activities.

- Non-core activities could easily be contracted out.

- The requirement to provide a "Safety Net" could be incorporated into this option.

- This option would reduce the level of resources needed to maintain systems.

- New system would meet industry standards and be compatible with existing DIP system.

- The enhancement of the EDMS system would reduce manual tasks, contribute to e-government and enable better management of the workload, including the transfer of work between partners.

- Potential cost savings in procuring the system in partnership with other authorities. In any event the Council would probably be able to exert greater influence over the supplier by being in a larger consortium rather than a small user of the system.

- Easier to recruit and train staff, who may be more familiar with the system or at least the technology that it is based upon.

Disadvantages

- We would no longer be able to ensure minimum "downtime" for the system, relying on the supplier for support. We would therefore rely more heavily on a third party to ensure that the system was available.

- Joint working arrangements could mean that it is harder to retain total control over the type of service delivered.

- Greater reliance placed on software suppliers – system may not meet the Council's requirement exactly. There may be a need for some compromise. Software suppliers will only make changes to a system where there is a demonstrable demand for the changes and potential income to be made either from new or existing customers.

- Some methods of delivery are in their infancy i.e. a hosted service. This could create risks.

What it means

Contract with outside provider to deliver services
Retain statutory parts of benefits in-house
Choice of partnership arrangement or full outsourcing

Advantages

- Access to greater expertise – external providers provide services across a range of authorities and have access to specialist staff.

- Provide the service at a reduced cost as the providers infer that they could provide a service cheaper. This may be achieved by moving all Council Tax and Revenues processing to a central processing centre.

- The private sector could provide all, (as allowed by Regulation) or part of the service, whichever was negotiated in the contract.

- Larger pool of resources to deal with fluctuations in demand for the service – better placed to react to backlogs

- Investment in new technology – external providers would need to implement a new system to make the service cost effective for them and consistent with their other sites.

- Reduce the level of expertise required – providers will be able to spread cost of specialist advice across all of their sites.

- Potential to extend hours of business.

Disadvantages

- Genuine cost savings only likely to be available through processing benefit claims off-site. We may only be a small customer – this creates the risk that the provider may concentrate on dealing with its larger customers as a priority.

- Partnership arrangements can deliver much needed expertise where the service is poorly managed. That is not the case at South Derbyshire. A manager will add to costs and not reduce them.

- Partnership arrangements may also be more effective by working in partnership with other districts rather than with an external provider.

- The private sector could provide a Managed Service. This means they would provide a manager to run the service with

the existing staff. What assurances could be received that the level of service and performance would be sustained, if not improved? Contract conditions? Staff retention guarantees?

- It is not possible, because of the Benefit legislation to outsource ALL of the Benefit functions. The administration of a fragmented service could be problematical. Client/ Contractor split over roles could lead to other areas of concern.

- Performance Risk – external suppliers do not have a good track record where they are delivering the whole service. They are yet to prove they can deliver a consistent service. This creates a risk for South Derbyshire bearing in mind its current good performance.

- Providers have not given enough thought to how they will deliver services to small districts like South Derbyshire.