

Birmingham City Council

Cabinet

12 December 2023



Subject: Effective commissioning of debt collection

Commissioner Review

- 1 This proposal aligns to the strategic direction to consolidate services that crosscut BCC. By consolidating these services BCC should deliver a more cost effective and consistent service.
- 2 By in-sourcing in Phase 1, the early stage of debt collection it appears to deliver “upwards of £360K” net benefits per annum (Yearly operating costs for hybrid ‘in-house’ option). The paper describes the benefits and additional costs e.g., to establish and run the operation as prudent. We would therefore expect the net benefits to be achieved/exceeded.
- 3 There is an up-front investment in people, training and systems which is understandable. This introduces risk as shown on the risk table. A more detailed and early mitigation plan should be produced.
- 4 A further risk is the integration of the inhouse component of the process with later stages delivered through outsourced services. This must be designed up front and demonstrate clear data/process integration with other organisations in the process chain. This is a key mitigation.
- 5 The system costs appear high however, we assume the system to be procured/built and the interfaces with other BCC systems has been adequately analysed at this stage. These costs should be re-assessed and reduced where possible.
- 6 If this proposal is approved, I would like to see the financial performance and operation performance (including compliance) measured on a **monthly basis** to rapidly assess the delivery of both financial benefit and quality/consistency of the operation.
- 7 I note that BCC has introduced a review of the initiative after the first year.

Commissioner's support this Cabinet submission.