

FULL BUSINESS CASE

Effective commissioning of debt collection

FINANCE AND RESOURCES PORTFOLIO

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Document Control

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Purpose of this document

The Full Business Case (FBC) template aims to:

- Re-visit and detail in full the information following the Outline Business Case (OBC).
- Evidence in full the case for change / transformation
- Detail in full the preferred option and the full costs associated.

How to use this template

There are two points that you should take into consideration:

- The Full Business Case (FBC) expands on the information in the Outline Business Case (OBC) and is used to outline the detail and justification for investing in the proposed programme. The Programme Manager is responsible for drawing up the FBC in active and ongoing consultation with the Programme Sponsors.
- Programme Managers should aim to produce a detailed and focused document which is supported by further detailed documentation made available to the relevant Boards as appropriate.

Outline Business Case (and other baseline docs) Approval

Document	Board/Approver Name	Date Approved
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Contents

1	Executive Summary	5
2	Background and Context	5
3	Scope and Dependencies.....	6
3.1	Scope	6
3.2	Dependencies	8
4	Strategic Alignment & Case for Change.....	8
4.1	Objectives and Outcomes	8
4.2	Deliverables	9
4.3	Benefits	9
4.4	Benefits Realisation Plan.....	10
4.5	Stakeholders.....	11
5	Detailed Options Appraisal	11
5.1	Summary of Options Reviewed at Outline Business Case	11
5.2	Evaluation of Key Risks and Issues for the Preferred Option	15
5.3	Other Impacts of the Preferred Option	16
6	Procurement & Contractual Considerations	17
6.1	Partnership or joint venture working.....	17
6.2	Procurement implications and Contract Strategy.....	17
6.3	Staffing and TUPE implications.....	17
7	Financials.....	17
7.1	Financial Overview	17
7.2	Cost Assumptions.....	18
7.3	Overall Affordability	18
7.4	Optimism Bias and Contingency Provision.....	18
7.5	Taxation.....	18
8	Project/Programme Management & Governance	19
8.1	Key Milestones	19
8.2	Resources Requirements, Roles and Responsibilities.....	19
8.3	Governance Arrangements	21
9	Appendices	24
9.1	Appendix A – Scoping document.....	24
9.2	Appendix B – Financials breakdown.....	24

1 Executive Summary

This paper provides an analysis of the current Enforcement Agent (previously referred to as Bailiffs) arrangements for Birmingham City Council (BCC). It also outlines a proposal to consider the benefits of bringing some of the arrangements 'in-house' with potential further opportunities in the future.

The 'in-house' proposal will:

- enable the Council to identify financial (or other) vulnerability and utilise the knowledge to assist citizens
- link to the Council's approach to 'early intervention and prevention'
- ensure the associated income in fees, helps the Council to improve services for the citizens of Birmingham; and
- continue to work with external providers to ensure that debt collection is maximised to the Council.

As part of the Council's 2022-23 medium term financial planning (MTFP), a proposal to look at the enforcement arrangements (with the potential for additional income of £400k from 2023-24) was agreed by Cabinet in January 2022. Since then, various factors have changed including rising costs of services and increased case volumes requiring higher resourcing levels. The expected additional annual net income is now estimated to be £360k and this report provides an initial recommendation on how the Council can achieve this income generation in the medium-term financial plan.

2 Background and Context

Enforcement Agents (EA) operate under the Taking Control of Goods Regulations 2013 (TCOG) which sets out in law their responsibilities, powers and fee structure. Currently BCC uses one external firm of enforcement agents for all its council tax, business rates and BID levy recovery. The same firm, plus an additional three external firms of enforcement agents are used for the collection of Penalty Charge Notices (PCNs). The council has many other sources of debt but these are not covered by the same legislative powers. In general terms, the two strands of enforcement agent activity (Revenues and PCNs) are:

Council tax and business rates: The Council has a duty to citizens to collect as much council tax, BID levy, and business rates as possible. It also has a duty to ensure that in doing so it is fair and reasonable. It is preferable for the Council to work with citizens and businesses to collect debts but as a last resort there is a need to enforce recovery of arrears through the use of enforcement agents, formerly known as bailiffs.

Penalty Charge Notices: The Council follows a statutory process to pursue payment of outstanding PCNs for parking, bus lane and clean air zone contraventions. The final stages can result in cases being passed to enforcement agents for them to recover the amounts due. It should be noted this means the Council pursues payment from motorists throughout the country not just Birmingham citizens.

Early Intervention and prevention

Consolidating enforcement agent arrangements across the council can help to contribute to wider council goals. Work has already commenced to utilise council data to have an improved view of citizens personal debt. Having a broad view of personal financial circumstances will help the council offer appropriate support and prevent different

departments 'chasing the pound'. The existing arrangements mean that all 'intelligence' on individual circumstances is (in the main) retained by the external enforcement agency.

Combining EA activity into one place will assist this. If the council has an active role in EA activity it can directly support the early intervention and prevention agenda – by ensuring that underlying debt issues are identified and dealt with at the earliest possible stage. Support and signposting can also be put in place. This will become even more important as the cost-of-living crisis deepens.

Additionally, as part of the proposal an external provider will be used to supply enhanced data on our customers, to segment the debt prior to it going to enforcement. This will enable unsuitable cases to be identified as early as possible, preventing additional unnecessary fees for those customers as well as reducing BCC resource on uncollectable debt. Costs for this are factored into the proposal.

What are the fees?

Under the TCOG regulations, as part of the debt collection process enforcement agents charge fees at three stages for debts collected – they are the:

- compliance fee (£75)
- enforcement fee (£235 + 7.5% of the debt balance over £1,500); and
- sale fee (£110 + 7.5% of the debt balance over £1,500).

The compliance fee is the initial fee charged at the point an enforcement agent is instructed to collect the debt. It covers the first stage of the recovery process including tracing, letters, text messages and written correspondence. It is paid ahead of any debt collected. The second stage is the enforcement fee, this is charged once an agent is required to visit a property to establish contact, set up an arrangement or seize goods. The fee is paid on a pro-rata basis together with the actual debt. The sale fee is paid once seized goods are sold and is again paid on a pro-rata basis together with the actual debt. All fees are paid by the customer or business during the debt repayment process. All of the fee income is currently retained by the EA. This is a lost opportunity which could benefit BCC if the Council provided the service in house.

3 Scope and Dependencies

3.1 Scope

Current enforcement agent activity at BCC

Council Tax and Business Rates

The council had to cancel a re-tendering exercise in 2021, following legal challenges. Equita Ltd, the incumbent primary EA provider, is the sole contractor to provide EA collection services until July 2023 at which point cabinet approval will be sought for a new 12-month contract as an interim measure, so that services can continue to be carried out prior to coming in house. After which, a procurement exercise will need to take place.

For collection, performance and business continuity reasons, the Revenues Service has recently awarded a contract to provide coverage for recycled debt. Recycled debt is debt that has been unsuccessfully collected by the primary EA provider and returned to the council for collection.

Under the arrangement with Equita, the council has received £38.9m in recovered debt over the

previous four years. The exact amount of Equita's fees is commercially confidential. The Council has analysed its data and the fee income for the compliance stage would cover its costs and generate additional income.

This has involved 112,000 cases being referred with 70,000 (63%) returned where enforcement action was not possible. The main reasons being unable to locate or trace the individual or business or insufficient assets to allow for repayment in full or any payment at all.

EA arrangements using external companies can also have 'added value'. This often takes the form of staff training, software enhancements, apprenticeship support, and other support to compliment the enforcement activity.

The EAs also work hard to promote social value in their work – they work closely with the council on individual vulnerable cases and have strong links with our key partners, such as the CAB.

Penalty Charge Notices

Road traffic debt, in respect of the collection of outstanding PCNs, varies in several ways to council tax and business rates. There are many more out-of-area debts due to those not residing in Birmingham receiving PCNs. The process follows the same three stages.

EA contracts are often subject to procurement challenges. This is a national issue in a very competitive market. The enforcement of PCN debt is currently out of contract due to complications of the previous procurement process where legal challenges were received regarding the outcome of the contract award process. Since this time the council has continued to use the four companies that were last awarded the contract in 2013 when the tender process was followed. The Council has also worked to adapt working practices to reflect the changes in legislation that came into force after the award of the contract.

The Council follows a statutory process to recover payment of outstanding PCNs. This involves serving various formal documents to the registered keeper of the vehicle that fully explain the requirement to pay/appeal. In cases where all documents have been served and the full process has been followed (but payment remains outstanding), arrangements are made with the Traffic Enforcement Centre to register the outstanding sum as a debt.

If payment still remains outstanding, the cases are passed to one of the four companies to execute the warrants of control to collect the debt. The four companies are awarded a percentage of cases based on their successful recovery of debt from cases based on the previous six months. The number of warrants have increased since the Clean Air Zone commenced in June 2021. Under the current arrangement, the Council has already received £3.7m from 2018/19 for the recovery of PCN charges (with the fee income retained by the EAs).

It should be noted that legislation has recently been introduced to allow councils to take on board the enforcement of moving traffic offences. If the Council decides to take on these powers at some point in the future, it would result in further increases to the number of cases.

Full enforcement of these debts involves considerable additional set-up costs. These companies have invested in vehicles fitted with Automatic Number Plate Recognition (ANPR) to detect vehicles associated with outstanding PCNs allowing them to stop, clamp and potentially remove the vehicle. The investment also covers for costs associated with vehicle clamps being damaged/destroyed and storing the removed vehicles together with the costs to dispose of the vehicles by sale at auction/scrappage etc. At present, around 55% of warrants are not paid in full until they enter the enforcement stage and around 4-6 vehicles are authorised for removal per day.

Further work is required to establish the extent of the EA activity which could be brought 'in-house'

for parking and CAZ debt recovery. Dealing with the Enforcement stage of the council tax and business rate recovery will assist the learning and the potential to expand the operation to parking and CAZ.

Proposal for in and out of scope work

All income collection areas that can be enforced under the Taking Control of Goods regulations are deemed in scope, which includes Council Tax, Business Rates, Business Improvement District levies, PCNs and Commercial Rent Arrears.

Within the areas that are in scope a phased approach is proposed due to case volumes and individual requirements for each of the areas, for example more advanced equipment.

Phase 1 Compliance stage for Council Tax, Business Rates and Business Improvement District levies. Some cases will progress through to enforcement in small numbers.

Phase 2 Both compliance and enforcement stage for Council Tax, Business Rates and Business Improvement District levies

Phase 3 Compliance and enforcement of PCNs and Commercial Rent Arrears debts

Later phases Introduction of work outside of the TCOG regs, for example Debt Collection Agency work for other income streams such as sundry debts. Opportunities to outsource the service to other local authorities

Further details around the phasing of the project can be found at Appendix A.

3.2 Dependencies

Dependency	Description	Impact
None		

4 Strategic Alignment & Case for Change

This sets out the case for change and the project's fit to the Corporate Plan objectives

4.1 Objectives and Outcomes

The initiative supports the key priority to improve early intervention and prevention. The existing arrangements mean that a lot of valuable information regarding some of our most vulnerable citizens is held outside the Council. This approach will enable the Council to identify financial or other vulnerabilities and utilise this information to assist citizens including offering a more flexible approach and pathway out of debt.

Additionally, the project will provide the opportunity for income generation via the collection of fees, which in turn will help the Council to improve services for the citizens of Birmingham.

4.2 Deliverables

Deliverable/Output	Owner / Responsible	Timescale	Approver
Early intervention and prevention	Jonathan Woodward	Year 1	Tim Savill
£360k income generation	Jonathan Woodward	Year 1-2	Tim Savill

4.3 Benefits

Benefit/Dis-Benefit Description	£	Impact	Timescale
Benefit Earlier identification of vulnerabilities	N/A	Ability to identify financial or other vulnerabilities at an earlier point, rather than relying on external information, means we can signpost them to appropriate support and pathways out of debt	As soon as service is operational
Benefit Greater flexibility regarding the application of statutory fees	N/A	Fees can be more easily withdrawn in appropriate situations, minimising the accrual of additional charges for the customer and business	As soon as service is operational
Benefit Significant potential fee income	Upwards of £360k	Can be reinvested to help the Council improve services. Also there is further potential to generate income via outsourcing of the service to other local authorities	Year 1-2
Dis-benefit Delayed cash flow	N/A	The service may not initially be as efficient at collection as	Year 1-2

		external providers and so there could be a loss of income at early stages. This can be recouped at later stages if the cases are sent to externals as a recycled case and/or once the internal service has implemented lessons learnt	
Dis-benefit Loss of added value from external contracts	<£250k	The current levels of added and social value received from existing contracts could be reduced. However, there will still be a requirement to retain contracts for recycled and out of areas cases and so some added value benefits would remain	From July 2024
Dis-benefit Currently no trained/qualified resource within the service	£200 per qualified resource £840 per certificated resource	Existing staff would need to undergo training and a qualification process, but this is at minimal cost. This could take 3-4 months and is required before the service can go live	Immediately

4.4 Benefits Realisation Plan

- Project board established – meets fortnightly;
- Project team established – meets weekly;
- Engagement from across the Council;
- Project plan in place and monitored;
- Reports to Digital and Customer Services management team.

Monitoring of specific planned benefits;

- Earlier identification of vulnerabilities

- Debt segmentation data being used effectively to reduce volume of cases going to enforcement
- Less cases being returned as vulnerable at later enforcement stages
- Increase in citizens signposted to support agencies
- All staff adhering to new working procedures that will be designed specifically around dealing with vulnerable customers
- Greater flexibility regarding the application of statutory fees
 - Fewer upheld complaints linked to fees
- Significant potential fee income
 - Monthly tracking against the target via the collection fund and cost income monitoring

4.5 Stakeholders

- Finance – for inclusion in the MTFP and assessment of other debt recovery across the Council
- Inclusive growth – for parking and clean air charges
- HR – for introduction of new job roles
- Early intervention and prevention board – for linking of shared goals
- Debt advice sector – for example Citizens Advice and the Money and Pensions Service
- Enforcement sector e.g. CIVEA and The Enforcement Conduct Board – to ensure compliance with industry standards

5 Detailed Options Appraisal

This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities.

5.1 Summary of Options Reviewed at Outline Business Case

Option	Information Considered	Advantages & Disadvantages	Stakeholders Consulted	Recommendation	Principal Reason for Decision
Do nothing	See below	See below	Project Board	Not recommended	
Full service	See below	See below	Project Board	Not recommended	
Hybrid Phased approach	See below	See below	Project Board	Recommended	Allows realisation of long term objectives over a manageable period.

Option 1 – Do nothing. Continue with the use of external enforcement agents

The Council can carry on with its existing arrangements using external firms and the following table outlines the pros and cons of this option.

Pros	Cons
As EAs charge and retain fees from citizens and businesses – no additional investment from BCC is required.	New tender exercises/contracts will be required for all services within the next 18 months.

EAs have vehicles fitted with ANPR to clamp and potentially remove vehicles associated with outstanding warrants, including facilities for storage of vehicles.	Due to the contentious nature of the EA industry it is commonplace for tenders to be subject to legal challenges. This can make retendering of contracts time consuming and litigious.
The Revenues service has been able to extract approximately £250k in added value as a result of its external contract – this consists of the funding of apprentices, staff training, software/RPA developer funding and data/debt cleansing products.	The council would be unable to extract any fee income for its own benefit.
There is national coverage for ‘out of area’ debtors; at least 20% of cases are out of area which also means that there is more flexibility for resources to handle increases in workloads.	There are limits in relation to the recovery of debt and the manner in which the recovery service is conducted.
They deal with many councils and as such are ‘subject matter experts’ and can share good practice from the various operating models.	Loss of opportunity to gather meaningful data around citizens vulnerability at an early stage.
Devolved risk – BCC staff are not doing the collection work – less chance of financial negligence risk.	

Option 2 – Setting up a full in-house enforcement agent service

The collection of debts can legally be carried out by licensed individuals under the Taking Control of Goods Regulations 2013 which in turn means the service can be conducted in house. A number of councils already have established in house enforcement agent teams:

Pros	Cons
Access to significant potential fee income – depending on the amount of services bought ‘in-house’ it could be upwards of £360k per annum (based on compliance stage work – see table in option 3) for Birmingham’s caseload.	The setting up of an in-house enforcement agent service would be a significant project. It would require substantial investment prior to the generation of reasonable levels of income.
There would be a further opportunity to outsource to other LAs to generate further income.	The council does not have the capacity or expertise to carry out a full cost analysis for the business case for a full in-house service.
Flexible operation under BCC total control.	Set-up costs could be at least £2m+ with a return on investment not expected until years three to four.
The arrangement could be flexible, and the council could ‘partner’ with other EAs to deal with more complex debt (e.g. sale/disposal stage and out of area cases).	With around 20% of our caseload being located outside of Birmingham an external provider with national coverage would still be needed reducing the size of the caseload for any in-house local service.

It would improve the view of financially vulnerable customers – and would support the approach to use data in the move from crisis to prevention.	The amount of added and social value currently received from existing contracts would be drastically reduced.
The in-house enforcement agents will be able to signpost customers to other support including Council Tax Support, discretionary funding / Council Tax Discretionary reductions and debt advice sectors where appropriate (this is already undertaken by external EAs, but the added value is limited with these elements handled outside the council).	There is no dedicated trained resource for the work at BCC – recruitment and training would be needed.
There will be more flexibility regarding the application of statutory fee charges levied, which in appropriate situations could be more easily withdrawn, minimising the accrual of additional charges for customers and businesses.	The operation may not be as technically advanced as established firms in the industry. This could lead to an initial delay in cashflow where by collection on some cases is not realised until they are sent to external agencies as recycled work or until the internal service is fully developed.

Option 3 – A hybrid phased in-house approach (preferred option)

The split of the charging process for enforcement agent collection (with the different fees applied at different stages), make a hybrid option possible. The very first stage is the compliance stage. The initial fee of £75 is charged at the point an enforcement agent is instructed to collect the debt. The fee covers:

- the first stage of the recovery process including tracing
- establishing contact via digital or written correspondence with the debtor
- negotiating a repayment of the debt; and
- administering the repayment arrangement

The £75 compliance fee is paid ahead of any debt repayments. This stage can be carried out remotely and without the need to visit households.

The final two stages of the process are resource heavy with significant set up costs (for visits and removal of goods etc). The first stage of recovery (the compliance stage) can be carried out with relatively little set up costs and can be set-up in a short space of time.

A licensed enforcement agent would still be required in order to carry out the initial compliance stage, which can be fulfilled via the qualification and certification of existing staff. It is proposed that additionally two experienced, licensed enforcement agents would be recruited so that there is contingency to conduct visits on an ad hoc basis. This will also act as a stepping stone into later phases, where full enforcement is in scope.

Pros	Cons
Access to significant potential fee income – depending on the amount of services bought in-house it could be upwards of £360k per annum for the council (based	A significant amount of caseload would require enforcement stage collection or would be located outside of Birmingham so external providers with national

Pros	Cons
on Revenues debts only – see table below).	coverage and the ability to clamp/remove vehicles would still be needed.
There will be more flexibility regarding the application of statutory fee charges levied, which in appropriate situations could be more easily withdrawn, minimising the accrual of additional charges for customers and businesses.	The amount of added and social value the authority currently receives from existing contracts would be reduced.
A recycled contract and out of area contract would still be needed which would allow the council to extract some 'added value' and social value.	There is currently no dedicated trained resource for the work at BCC – recruitment and training would be needed.
The council will need to employ licensed enforcement agents. This can be partly approved through our existing staff meeting certain criteria which is then approved by the regulator. A phased approach to project implementation would ensure the continuity of existing collection activities at the council along with contracting arrangements already in place.	The operation may not be as technically advanced as established firms in the industry. This could lead to an initial delay in cashflow where by collection on some cases is not realised until they are sent to external agencies as recycled work or until the internal service is fully developed.
There would be a further potential opportunity to generate additional income by working with other councils and taking on some of their casework.	

A review period would be needed to ensure the new arrangements added value for the Council and its citizens. Data gathered during phase 1 can then be utilised to inform a business case for phase 2 (to extend the arrangement to include both compliance and enforcement stages for revenues debts) and phase 3 (to undertake this work for other debts such as Parking and Commercial rent arrears). Consideration can then also be made to the associated need for investment to deliver the additional income for the Council.

Yearly operating costs for hybrid 'in-house' option

Revenues only Compliance Fee income		
Income		
CTAX	£ 972,627.79	
BIDS	£ 22,784.36	
NNDR	£ 101,960.00	
Total		£ 1,097,372.15
Costs (Revenue)		
Software	£ 61,170.00	
Telephone/IVR	£ 6,120.00	
SMS	£ 2,240.84	
Printing and postage	£ 29,691.13	
ECB levy	£ 4,389.49	
Staff	£ 593,307.00	
CEAA Membership	£ 125.00	
Vehicle / petrol	£ 16,000.00	
Debt segmentation	£ 25,209.45	
Total		£ 738,252.91
Net Profit		£ 359,119.24

5.2 Evaluation of Key Risks and Issues for the Preferred Option

Risk Title	Risk Description	Likelihood (H/M/L)	Impact (H/M/L)	RAG Status	Mitigating Actions
Cash allocation system integration	Issues with current integration – therefore new payment channels/processes will come with associated risk	M	H	A	Need IT onboard and to identify resource/team to communicate with. Could use the chosen software provider's payment system - may mitigate some of the requirement to develop full payment processes but will still need a level of integration
Procurement challenge	Challenge from an Enforcement agent competitor to Equita due to a direct award being made to them	L	M	A	The contract is for one year so a short period of time and unlikely to attract any attention in the industry

Recruitment	Reduced enforcement agent qualified resources in the market may mean issues recruiting to standards or lack of internal resource to qualify	M	H	A	Two existing staff to gain qualification and become certificated enforcement agents so that compliance can continue until resource identified
Cost of living crisis	Political appetite to issue to enforcement agents may be low	L	L	G	Proposal is centred around early intervention and prevention. Additional data segmentation has been built in prior to issuing to enforcement, to assist with ensuring only the right cases are sent
Resource	Lack of resource within existing revenues service to deliver project	M	H	A	To be reviewed
Cross department appetite	Potential lack of buy in from other areas of the authority	L	L	G	Continue engaging with all relevant service areas – not a risk for initial phase.
Business analyst availability	A business analyst would be required to map out end to end processes and define solution requirements	L	L	G	Continues to liaise with IT. In the meantime, process to be mapped internally with the aim to involve a BA to fine tune at a later date.

5.3 Other Impacts of the Preferred Option

The preferred option is a phased in-house approach handling up to and including the compliance stage for Council Tax, Business Rates and Business Improvement District debt recovery, with a small contingency of two enforcement agents to undertake visits on some sample cases.

Positive impacts;

- Phasing will allow for management of financial risk and opportunities for lessons learnt, in order to inform future business cases for a full-scale service
- Earlier identification of citizen vulnerabilities
- Greater flexibility regarding the application of statutory fees
- Significant potential fee income
- Alignment of procurement activity for any future EA contractual arrangements across Council directorates

Negative impacts:

- A delay in potential cost income by introducing the collection of PCNs and Commercial Rent Arrears at later phases. However, this will allow for staggered management of risk.
- Delayed cash flow due to any initial inefficiencies of process
- Reduction in added value via external contracts

6 Procurement & Contractual Considerations

This considers the Procurement and Contractual elements of the programme.

6.1 Partnership or joint venture working

The project will be managed within the Revenues Service and form part of the overall internal approach to the collection of council tax and business rates. Contracts will be retained with external agencies for business resilience and so that there is security around the project, but this will not strictly be considered a partnership or joint venture.

6.2 Procurement implications and Contract Strategy

Following this transformation process and approval to bring inhouse Enforcement agency services for Council Tax, Business Rates and Bid Levies, the recommendation is to run procurement exercises for the other remaining debt/enforcement services as and when needed by way of compliant mechanisms in line with Procurement and Contract Governance Rules. This will ensure contract coverage is encompassed for the remaining services during a period of stabilisation and incremental growth. A further review will then take place to consider these remaining services being delivered as part of a third stage of the inhouse service transformation project. Estimated to be in between 2 to 3 years' time.

6.3 Staffing and TUPE implications

The proposal does not have any direct HR implications, by virtue of the current commissioning arrangements and the way the supplier has organised its workforce, neither BCC nor the supplier believes that the Transfer of Undertakings (Protection of Employment) regulations will apply, consequently there will be no transfer of supplier employees into the Council.

There is a requirement for a new team of 14 staff. The recruitment will be phased to take into account the gradual increase in the workload. The normal TU consultation will be undertaken.

7 Financials

This section sets out the overall cost and affordability of the project and details any savings/ROI.

7.1 Financial Overview

It is not expected that the service will be operational until month 9 of Year 1 and therefore costs and income have been prorated accordingly for that year. Year 1 also includes all capital expenditure required to get the service set up.

Funding of £247k has already been approved via the Invest to Deliver board and will cover all costs for Year 1, after which the service will be self-funded via the income generated.

£	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Capital	£32,258.00	£0.00	£3,200.00	£0.00	£3,200.00	£0.00	£38,658.00
Revenue	£197,740.66	£738,252.91	£738,252.91	£738,252.91	£738,252.91	£738,252.91	£3,889,005.20
Total	£229,998.66	£738,252.91	£741,452.91	£738,252.91	£741,452.91	£738,252.91	£3,927,663.20
	Funded by:						
<i>Existing</i>	£247,171.00						
<i>Additional</i>		£738,252.91	£741,452.91	£738,252.91	£741,452.91	£738,252.91	£3,697,664.54
Total	£247,171.00	£738,252.91	£741,452.91	£738,252.91	£741,452.91	£738,252.91	£3,697,664.54
	Savings/ROI						
Income	£274,343.04	£1,097,372.15	£1,097,372.15	£1,097,372.15	£1,097,372.15	£1,097,372.15	£5,761,203.79
Total	£291,515.38	£359,119.24	£355,919.24	£359,119.24	£355,919.24	£359,119.24	£2,080,711.58

7.2 Cost Assumptions

Assumptions have been made around the following;

- Expected case volumes - based on work sent to the existing supplier in previous years
- Expected collection rates – based on benchmarking undertaken against other Local Authorities with an in house service
- Supplier costs – based on quotes obtained or average costs for other Local Authorities receiving similar services/goods
- Resource requirements – based on a manageable caseload per FTE in line with other Local Authority in house services

A full breakdown of costs including calculations and annotations can be found at Appendix B.

7.3 Overall Affordability

The income projection is based on average collection rates of other Local Authority in house enforcement teams against current case volumes sent to our existing Enforcement Agents. The £360k projection includes the additional costs of running the new activity and so the service will be entirely self-funded after initial start-up costs.

7.4 Optimism Bias and Contingency Provision

All financial forecasting has been centred around prudent assumptions of collection based on the existing performance of other comparable in-house services. Discussions have been held with a number of other Local Authorities and service providers to ensure that the proposal and expected outcomes are realistic and not swayed by optimism bias.

7.5 Taxation

There should not be any adverse tax implications of the Council undertaking enforcement/debt collection services in house, particularly in relation to the collection of Council Tax, business rate, BID levy and PCN debts. Whilst the Council will incur VAT on any external costs incurred by the service, this VAT should be reclaimable by the Council. Hence VAT should not be a cost to the debt collection service. If the Council were to provide enforcement/debt collection services to other organisations, e.g. local authorities, VAT should be charged on any fees levied for those services.

8 Project Management & Governance

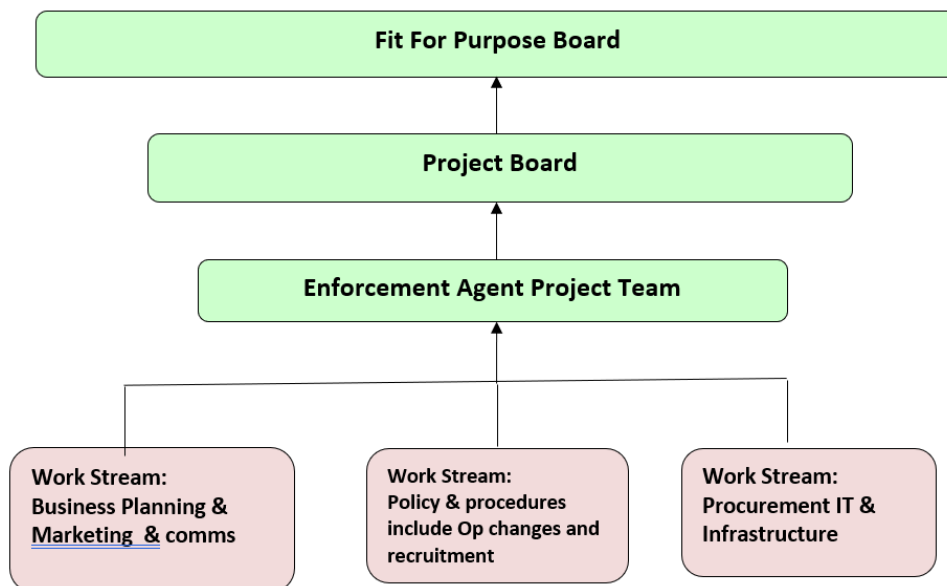
This section considers how the project/programme will be managed, tracked and governed.

8.1 Key Milestones

Milestone	Start Date	End Date	Owner
Process mapping	Month 1	Month 2	Parveen Ellahi
Update Corporate Debt policies and sign off	Month 2	Month 3	Jonathan Woodward
Business planning i.e. Marketing, branding, website, KPI's etc	Month 1	Month 5	Jonathan Woodward
New team Recruitment/Set up	Month 2	Month 4	Jonathan Woodward
Training/qualification	Month 2	Month 4	Jonathan Woodward
New team established	Month 5	Month 5	Jonathan Woodward
Tender and procure software	Month 1	Month 2	Stuart Follows
Define & procure equipment i.e body vests/cams etc	Month 3	Month 4	Jonathan Woodward/ Stuart Follows
Set up IT systems	Month 3	Month 3	Tom Furey/Sheraz Yaqub/Sue Causer
Software & Integration Testing	Month 4	Month 5	Jonathan Woodward /Sue Causer
New enforcement team go live	Month 6	Month 6	Jonathan Woodward

8.2 Resources Requirements, Roles and Responsibilities

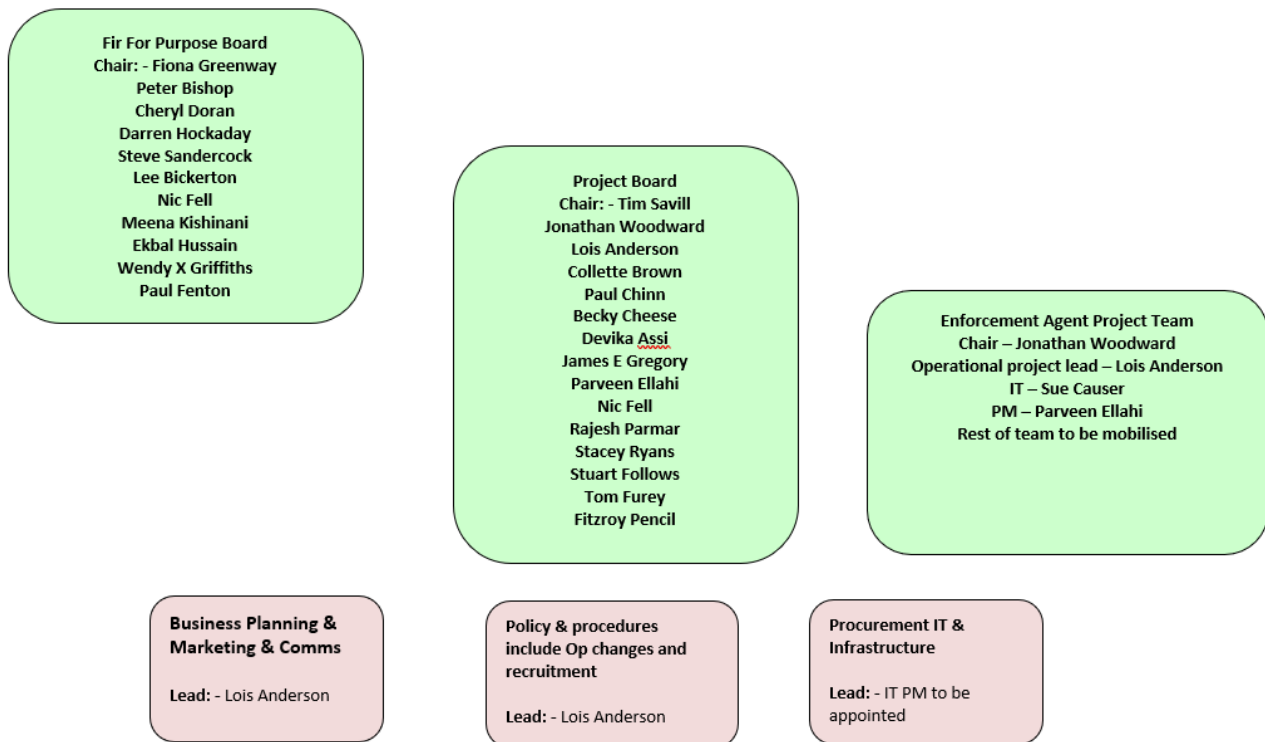
Project Governance Chart



Meeting Frequency;

- Digital & Customer Services Management Team - As required - Strategic decision making on areas with cross-directorate impacts
- Project Board - Fortnightly- To provide direction and make key project decisions
- Project Team - Weekly - To co-ordinate approach to delivering the project
- Workstream leads – Responsibility for delivery of work streams
- Future phases to be determined following review of phase 1.

Governance Membership



Role	Responsibility	Days / Hours Required
Programme Manager	Jonathan Woodward	1 day x 26 wks = 190 hrs
Project Manager	Parveen Ellahi	2 days x 26 wks = 380 hrs
Senior User	Tim Savill	2 hrs x 26 wks = 52 hrs
Senior Supplier	Tom Furey	3 days x 6 weeks = 131 hrs
Functional Lead	Lois Anderson	4 days x 26 wks = 759 hrs
IT lead	Sue Causer	3 days x 6 weeks = 131 hrs

Role	Responsibility	Days / Hours Required
IT project Manager	TBC	4 hrs x 26 wks = 104 hrs
Delivery teams	TBC – support for policy/UAT etc	6 FTE over 5 months

8.3 Governance Arrangements

Project Governance	Meeting Frequency	Name(s)	Roles - Summary	Key Responsibility
Digital & Customer Services Management Team	As required	Peter Bishop, Wendy Griffiths, Cheryl Doran, Tim Savill	Strategic decision making on areas with cross-directorate impacts	To provide direction, support and additional resources where needed. To sign off key project outcome documents by agreed timelines.
Project Sponsor	N/A	Tim Savill	To provide direction and make key finance and project decisions	To ensure project is monitored regularly, delivered on time within agreed budget and achieves the deliverables outlined in the PID. To keep D&CS Management Team informed of project progress & key risks. To challenge the outcomes of the overall project. To sign off project outcome documents by agreed timelines.
Project Board	Fortnightly	Tim Savill - Chair Jonathan Woodward, Collete Brown, Paul Chinn, Becky Cheese, Devika Assis, James E Gregory, Parveen Ellahi, Lois Anderson, Nic Fell, Rajesh Parmar, Stacey Ryans, Stuart Follows, Tom	To deliver the project deliverables outlined in the project terms of reference	To monitor project progress, identify and track management of risks, escalate critical issues, make decisions, determine the outcomes of change control documents, ensure key milestones are being achieved, ensure compliance and discussions held with cross council departments e.g. Finance, CPMO, Fit for Future Governance Board.

		Furey & Fitzroy Pencil		
Project Team	Weekly	Jonathan Woodward, Lois Anderson, Parveen Ellahi, Sue Causer	To co-ordinate approach to delivering the project	To review overall project plans and status and report back accordingly. To reallocate resources as required. To identify key project issues and explore other options. To agree and review actions list. To celebrate successes.
Project Manager	N/A	Parveen Ellahi	To ensure all elements of the project are being delivered in a co-ordinated way and reported back in Project team and board meetings	To ensure project is monitored regularly, delivered on time within agreed budget and achieves the deliverables outlined in the PID. To ensure all project resources are provided. To produce overall project plan and monitor on a bi-weekly/monthly basis. To produce and monitor risk register, oversee management workshops /meetings and progress & monitor action log.
Operational Project Lead	NA	Lois Anderson	To ensure all elements of the project activities have been captured and are being delivered in a co-ordinated way, and resources aligned accordingly	To oversee the production and quality, and arrange sign off of project deliverables by agreed timelines. To contribute to overall project plan and monitoring on weekly basis. To monitor and update risk register and oversee management workshops /meetings. To monitor & update action log with necessary updates.

<p>Workstream Leads</p> <p>Business Planning, Marketing & Comms</p> <p>Policy, procedures, op changes and recruitment</p> <p>Procurement & IT</p>	As required	<p>Lois Anderson</p> <p>Lois Anderson</p> <p>IT PM to be appointed</p>	To support the Project Team & Project Manager in the designing of processes, procedures and systems followed by testing & implementation.	<p>To provide regular project updates & highlight reports to project governance officers.</p> <p>To deliver individual workstream plans in line with key project milestones.</p> <p>To business plan, set up marketing, comms and stakeholder engagement.</p> <p>To produce and implement updated processes and procedures.</p> <p>To recruit staff and ensure training.</p> <p>To create test plans and scenarios to cover system & integration testing and carry out running of scripts.</p> <p>To produce stakeholder matrix.</p> <p>To deliver communication strategy and plans.</p> <p>To monitor risk and issues log at least monthly and update accordingly.</p> <p>To manage workstream support officers.</p>
<p>Project Workstream Support Officers / SME's</p>	As required	TBA	To support the project work stream leads in the implementation of the project	To support delivery of project, including set up, UAT and mobilisation.

Approvals

Approval Role	Name	Date
Operational Sponsor	Tim Savill – AD, Revenues, Benefits and Rents	5 May 2023
Strategic Sponsor	Peter Bishop – Director Digital & Customer Services	10 May 2023
Business Partners	Finance – Lee Bickerton Legal – Rajesh Parmer Procurement – Richard Tibbatts HR – Jasna Neighbour CPMO – Paul Fenton	12 May 2023
Fit for Future Governance Board	Nic Fell – Portfolio Lead	15 May 2023
CLT		16 May 2023
CMT		13 June 2023
Cabinet		25 July 2023

9 Appendices

9.1 Appendix A – Scoping document

9.2 Appendix B – Financials breakdown