

OPTIONS ANALYSIS PROVIDING REVENUES AND BENEFITS SERVICES FOR BCP COUNCIL AND DORSET COUNCIL

Request by BCP Council and Dorset Council to consider three options for service delivery for Revenues and Benefits (R&B) functions.

Date: 27 August 2019

Produced by: BCP/SVPP & Dorset Councils. (Jointly agreed areas Black Text (Additional Comments BCP (SVPP) blue text / Dorset Council green text)

Option	Option 1				Option 2		Option 3			
	No change to existing service delivery models		Partnership between BCP & Dorset Council for R&B		Pan-Dorset Revenues and Benefits Partnership		End SVPP and each Council to create their own R & B Service			
	Dorset Council Previously South Dorset Partnership (SDP)		Stour Valley and Poole Partnership (SVPP) and BCP Council				BCP Council Revenues and Benefits Service		Dorset Council Revenues and Benefit Service	
Description and Scale of Services (2018/19 Data)	Dorset Council Revenues and Benefit Service processing accounts for Purbeck, West Dorset and Weymouth & Portland areas of Dorset.		The SVPP (responsible for BCP areas for Christchurch & Poole and Dorset areas of East & North) and BCP Council (Bournemouth area) working in Partnership		Bring together the Revenues and Benefit Services of BCP Council (Bournemouth area), Dorset Council (Purbeck, West & Weymouth area) and SVPP (BCP Christchurch & Poole & Dorset Council – East & North) as one new ‘Pan-Dorset Partnership’ as from 1 April 2020		By Mutual agreement between BCP Council and Dorset Council end the SVPP on 31 March 2021 Each Council to have in place their own Revenues and Benefits Service for 1 April 2021			
CTAX Properties	105,513		257,645		363,158		185,195		177,963	
NNDR Properties	11,335		20,628		31,963		15,159		16,804	
HB Claimants	12,630		28,055		40,685		21,972		18,713	
LCTR Claimants	15,116		34,743		49,859		26,682		23,177	
Total Caseload	144,594	30%	341,071	70%	485,665	100%	249,008	51%	236,657	49%
Value of Service	£305,449,000		£785,005,000		£1,090,454,000		£568,067,000		£522,387,000	
Revenues and Benefits Staff - FTE	77		185 (213 in total with specialist roles)		262 (290 with specialist roles)		Estimated 148 (176 with specialist roles)		Estimated 132	
Service Budget 19/20 Excludes grants	£3,960,750		£8,475,527 (BCP £6,696,954 / Dorset £1,778,573)		£12,436,277 (BCP £6,696,954 / Dorset £5,739,323)		£6,696,954		£5,739,323 (SDP £3,960,750 + SVPP £1,778,573)	
Current Cost Per CTAX Property	£37.53		£32.90 (BCP £36.16 / Dorset £24.55)		£34.24 (BCP £36.16 / Dorset £32.25)		£36.16		£32.25 (Dorset £37.53 / SVPP £24.55)	
Proposed Saving 20/21 to 22/23	Not known		£1,050,000 (BCP £828 / Dorset £222,000)		£1,300,000 (BCP £700,000 / Dorset £600,000)		£283,000		£846,000	
Service Size Nationally based upon CTAX Props	70		6		2		11		12	

<p>Approach</p>	<p>Dorset Council through its Financial Services department providing its own R&B service for the Purbeck, West and Weymouth areas of Dorset.</p>	<p>The SVPP Joint Committee being responsible for the R&B provisions for BCP Council areas of Christchurch and Poole and Dorset Council areas of East and North.</p> <p>The Partnership Manager acting as Head of R&B for BCP Council for Bournemouth area only as part of Financial Services</p> <p>Under the Partnership Manager BCP (Bournemouth) and SVPP working together since 2017 to deliver efficiencies.</p> <p>A shared Enforcement Service (SVEA) operating across all of BCP Council and East and North areas of Dorset Council.</p> <p>Provision of Social Services Financial Assessments for BCP (Poole area)</p> <p>Provision of Sundry Debtor accounts for BCP Council and East area of Dorset Council</p> <p>Provision by BCP CAT of call centre for SVPP and F2F services for BCP Council and East and North areas of Dorset Council</p>	<p>To create a Pan-Dorset Partnership through a Collaboration Agreement as from 1 April 2020.</p> <p>The Partnership to bring together all existing services for Revenues and Benefits and be governed by a Joint Committee, Scrutiny Panel and Management Board equally represented by each Council.</p> <p>Aim of the Partnership to deliver efficiencies, whilst being resilient and fully meeting the needs of service users.</p> <p>Embracing digital technology and automation (robotics), whilst retaining dedicated support to the most vulnerable.</p> <p>BCP Council and Dorset Council with Partnership in lead role must decide upon one software supplier for future service delivery hosted by one of the Councils / software suppliers.</p> <p>HR working party to decide best method for employment of staff.</p> <p>ICT software tender recommended by BCP Procurement.</p> <p>A shared Enforcement Service operating across all of BCP Council and Dorset Council.</p> <p>Provision of existing and new specialist services as considered appropriate by each Council.</p> <p>Linking to each Council's Customer Access Strategy at all times and supporting their chosen Customer Delivery models.</p> <p>Choose which Council will be 'employing authority'.</p>	<p>By mutual agreement with Dorset Council to end the SVPP and share equally all costs associated with "ending the Partnership".</p> <p>Based upon consultant advice service will need 148 staff before allowing for transformation</p> <p>HR advice is that upon ending of SVPP that based upon workload share no TUPE to Dorset will apply. Process noted by Unions and will work with HR to support process for staff.</p> <p>Need to reduce workforce by 37 FTE to avoid budget pressure.</p> <p>The SVEA Enforcement Service to cease work for Dorset Council and the service to be solely used for BCP Council functions.</p> <p>To remain on existing databases with full ICT software tender in 2020 for future single database for April 2022.</p> <p>Staff may need to vacate East Dorset offices.</p> <p>Customer Access Team to establish impact of loss of Dorset work and establish one contact number for BCP in time for annual billing run 2021/22</p> <p>Carry out BCP 2021/22 billing run</p>	<p>By mutual agreement with BCP Council to end the SVPP and share equally all costs associated with "ending the Partnership".</p> <p>Based upon consultant advice service will need 132 before allowing for transformation.</p> <p>BCP as employer of SVPP unable to TUPE staff to cover East and North databases</p> <p>Need to potentially recruit 55 staff to cover 60% increase in workload upon ending of SVPP.</p> <p>There could be opportunities by restructuring and absorbing recharges / support charges when service returns.</p> <p>Accommodation and ICT desktop needs will need to be reviewed.</p> <p>Consider software needs / tender for future service provisions.</p> <p>Disaggregation of Customer account data held by (SVPP) BCP Council and agreed safe transfer</p> <p>The specialist service and software of Debtors function for East Area of Dorset to be transferred.</p> <p>Transfer of BIDS and software for Wimborne and Ferndown.</p> <p>Transfer of responsibility for face to face and telephony services from BCP Council CAT</p> <p>Carry out Dorset 2021/22 billing run.</p>
<p>Financial Considerations</p>	<p>Operational Budget relies upon New Burdens Funding</p> <p>Dorset MTFP 2020/21 £ no target as yet MTFP 2021/22 £ no target as yet</p>	<p>With SVPP and BCP (Bournemouth) working together costs and savings are split 60% SVPP & 40% BCP (Bournemouth)</p> <p>SVPP Cost share is 65.32% BCP & 34.68% Dorset. Equating to overall costs split being 79.19% BCP & 20.81% Dorset.</p> <p>With the delay of the Business Case for Dorset, SVPP with Bournemouth have delivered the 2018/19 and</p>	<ul style="list-style-type: none"> Assumed that the Partnership will deliver £1.3M in savings between 2020/21 to 2022/23 as documented in Business Case. Equating to £700K to BCP and £600K to Dorset. Partnership Investment costs in region of £550K – will full mitigation from SVPP / BCP / Dorset reserves if set aside If Tender ICT set up costs in region of £575K = LGR costs to be met by each Council proportionately Not factored but expectation 'robotics will delivery year on year efficiencies once software systems aligned for 2022/23. 	<ul style="list-style-type: none"> Loss of income of £1.8M from Dorset Council. (35% of SVPP) Actual cost impact to BCP Resources of £1.5M as some expenses will reduce. Based upon ACS consultant report need to reduce workforce by 37 FTE (£1.1M) Impact to support services / Accommodation needs <p>Potential Actions: 2020/21</p>	<ul style="list-style-type: none"> End contributions to BCP of £1.8M (35% of SVPP) Actual reduction £1.5M with retained costs Based upon ACS consultant report need to increase workforce by 55 FTE (£1.6M) <p>Potential Actions: 2020/21</p> <ul style="list-style-type: none"> SVPP saving £57K <p>2021/22</p> <ul style="list-style-type: none"> Loss of SVEA income £50K
<p>A fully agreed and timetabled exit plan to be presented to Joint Committee and each Council for approval inclusive of one-off costs for redundancies and other shared partner costs. Each Council to take full responsibility exiting the Partnership and for costs of software disaggregation from SVPP and creation of their own databases, customer engagement models and ensuring all customer data protected. Each Council must have services / access in place for 2021/22 billing run</p>					

		<p>2019/20 predicted Dorset Wide savings by themselves of £425K in 2018/19 and £250K in 2019/20</p> <p>Potential Actions: 2020/21</p> <ul style="list-style-type: none"> Align teams as one service = £275K saving Tender for ICT system Invest in 'robotics' from reserves £300K set aside BCP CAT for all telephone services Potential Income from SVEA if undertaking BCP Parking (TBA) <p>2021/22</p> <ul style="list-style-type: none"> Realise savings through vacancy control by UC / Initial Robotics – Revenues & CAT / shared structures of £250K Postage / printing savings £25K Release accommodation through agile working £100K <p>2022/23</p> <ul style="list-style-type: none"> Through software tender (LGR cost) annual software savings of £150K expected Realise savings through vacancy control by UC / Robotics – Benefits & CAT / fully combined structure of £250K <p>Partnership 2020/21 £ 275K saving 2021/22 £ 375K saving 2022/23 £ 400K saving £1050K (£1.05M)</p> <p>BCP MTFP 2020/21 £ 218K (Set) MTFP 2021/22 £ 295K saving MTFP 2022/23 £ 315K saving £ 828K</p> <p>Dorset (East & North area) MTFP 2020/21 £ 57K saving MTFP 2021/22 £ 80K saving MTFP 2022/23 £ 85K saving £ 222K</p> <p>Total £1.05M</p>	<p>Partnership 2020/21 £ 450K saving 2021/22 £ 350K saving 2022/23 £ 500K saving £1,300K (£1.3M)</p> <p>BCP MTFP 2020/21 £242K saving (24K additional) MTFP 2021/22 £189K saving MTFP 2022/23 £269K saving £700K</p> <p>Dorset MTFP 2020/21 £208K saving MTFP 2021/22 £161K saving MTFP 2022/23 £231K saving £600K</p> <p>Total £1.3M (with full contribution to both Council's existing support services)</p> <p>Likely that "underspends /reserves for SVPP" can be set aside to cover Partnership Set Up costs / support LRG database costs.</p> <p>One council will need to be chosen as the "employing / responsible Council" in the proposed model. This Council will provide all Central support services.</p> <p>Charges per FTE for Central support services, excluding accommodation were as follows (based upon full 17/18 charges)</p> <p>BCP/SVPP £ 4,500 per FTE Dorset £ 9,300 per FTE</p>	<ul style="list-style-type: none"> No change to budget as part of SVPP = 218K set saving 2021/22 (impact of SVPP end) £1.5M budget pressure For April 1st new structure to reduce workforce to 148 FTE, = £900K (potential compulsory) Increase SVEA income to BCP £50K Release accommodation through Agile Working £100K Through software tender (LGR cost) annual software savings of £100K expected Realise savings through vacancy control by UC / Robotics of £250K (year later than SVPP) BCP Corporate Services recharge areas stranded costs removed of £165K (35%) with ending SVPP <p>MTFP 2020/21 £218K saving (set) MTFP 2021/22 £450K pressure MTFP 2022/23 £515K saving £283K</p> <p>(To set aside monies for redundancy costs of up to 37 staff = £1M / Shared = £500K)</p>	<ul style="list-style-type: none"> Dorset <p>MTFP 2020/21 £108K MTFP 2021/22 £428K MTFP 2022/23 £310K £846K</p> <p>Total £846K (See opportunities)</p> <p>(To set aside monies to support BCP redundancy costs of SVPP – estimate £500K) To set aside funds for additional support costs for potential 60% increase new staff and HR / ICT equipment and licences etc.</p>
				<p>Each Council to equally fund ending SVPP and redundancy costs</p> <ul style="list-style-type: none"> Redundancy costs to be shared equally. SVPP average redundancy cost from Phase 1 (2018/19) was £30K per FTE = Estimate £1M – May have mitigation by jointly published structures Potential contractor processing costs to mitigate vacancy control. Each Council to fund ICT software costs through LGR <p>Each Council may invest in technology to reduce service costs / staffing costs</p>	
Strengths	<ul style="list-style-type: none"> Has achieved annual financial savings of £1.25m since 2009/10 (38% of original budget) without impact on performance or customer service Proven model Potential to provide further savings in the future Good track record for delivering transformation Has won a number of quality awards in the past. Currently 	<ul style="list-style-type: none"> SVPP has reduced actual budget by 20% £1M in last 5 years without impact on performance or customer service BCP (Bmth) and SVPP have delivered together £425K savings in 2018/19 and £250K savings in 2019/20 through staff reduction / VR Joint Committee manage the SVPP and give clear direction on service delivery standards and budget ensuring reflects 	<ul style="list-style-type: none"> This proposal is extremely likely to deliver the efficiencies as stated in Business Case as it would be based upon the proven track record of the services Would create a large resilient service employed by one organisation, that can forward plan and be able to deal with Government Welfare reforms and change competently based upon its experienced staff Large processing and customer access teams able to allocate resources to planned task – E.G telephony responses at 95% answered throughout year. Councillors would be directly involved in 	<ul style="list-style-type: none"> BCP/SVPP already administers all of the BCP area so there will be minimal service change at initial cessation of partnership. There is extensive experience of handling Unitary Council R & B Services (ending SVPP will represent a 28% reduction in service size) The face-to-face and telephone enquires for the service can be delivered by BCP CAT from day 1 of change Established Service with track 	<ul style="list-style-type: none"> Potentially able to absorb current SVPP (BCP) recharge contribution by other service area savings – though may impact other savings accounted for Minimum change to current structure at Dorset if able to expand to cover the 60% increase in its workload Review need to change software provider If no need to tender for software can create one database

	<p>holds Customer Service Excellence award (formally known as Chartermark) and Investors in People award (Silver level)</p> <ul style="list-style-type: none"> • Good track record for staff development 	<p>the service they expect for customers</p> <ul style="list-style-type: none"> • Partnership works to Forward Plan and Business Plan • The size of the service (70% of Dorset) makes it resilient to change • All of BCP R&B managed in one area • All polices for BCP Council aligned for April 2019 • Its own Enforcement Service (SVEA) recognised by support agencies as assisting customers to manage debt • Successful apprenticeship and staff training scheme (10% of staff undertaking 'levy funded' in training) • Experience of working across LA boundaries and applying different polices and procedures • Operating services on a shared desktop and workflow system for SVPP • Award winning for "Excellence in Partnership Working" in 2017 as SVPP and 2013 as SVP • Sustainable in the long term for BCP Council as a delivery Model • Proven model • Has least disruption for staff 	<p>monitoring the services and setting performance targets and budget</p> <ul style="list-style-type: none"> • Access to the services for customers and agencies would be consistent across the whole of Dorset • Ability to negotiate contracts with suppliers that are cost effective based upon size • Rationalisation of duplicated roles. • To offer a range of development opportunities for staff in a large organisation • LA Partnership working in R & B has always delivered savings and has been successful for over 10 years in Dorset. • Greater opportunity to share skill sets and reduce competing for scarce resources 	record for delivering improvement	<p>potentially in 2020 for the service</p> <ul style="list-style-type: none"> • Core service has track record for delivering improvement through transformation • Customers have greater opportunity to self-serve • Service has good track record for facilitating agile working (including home working). This will help mitigate against any increased accommodation needs
				<ul style="list-style-type: none"> • Sovereign Councils have autonomy of their services • Service should have greater flexibility than the other options and be able to change focus quickly • Services can be integrated corporately • May be easier to address software provider issue than the other options 	

Weaknesses	<ul style="list-style-type: none"> Duplicated roles with SVPP Not sustainable in the medium to long term due to the fact that Dorset databases (and service provisions) will need to be aligned Potential for different customer journey (and experience) than for customers in the former EDDC and NDDC areas of Dorset Council Efficiency savings cannot be maximised Recent initiatives to deliver income have not been delivered = SDP Internal Enforcement Service and Penalties Income 	<ul style="list-style-type: none"> Operating on two ICT software systems for BCP Council Since April policies produced by Dorset Council have meant SVPP polices and procedures are no longer aligned for operational efficiency Not sustainable in the long term due to the fact that Dorset databases (and service provisions) will need to be aligned Potential for different customer journey (and experience) than for customers in the former PDC, WDDC and WPBC areas of Dorset Council Efficiency savings cannot be maximised SVPP staff may not feel fully integrated with Dorset Council Potential difficulties for sharing information (and data) with other internal services Separate Democratic Services support required to deliver governance arrangements 	<ul style="list-style-type: none"> Two local authority's agreement (Chief Executives and Councillors) required on how to run the Partnership. Each LA developing design principles may differ Any un-avoidable issues that arise with performance will impact a larger number of residents The potential need to Tender software systems during 2020 would move alignment of databases potentially to April 2022 Size may cause the Service to be unwieldy and not able to change focus quickly Efficiencies are based on the alignment of policies and procedures (such as Council Tax Support, Council Tax discounts, etc) Issue of allocation of recharges would need to be addressed Does not necessarily allow for customer service to tie in with corporate model Will need to address software provider issue May be unpopular with some staff TUPE impact on staff (ranging from 90-327 depending on who is employer of staff) Greater initial impact on support services than other options (e.g. Will need to agree new governance arrangements, TUPE arrangements, etc) Separate Democratic Services support required to deliver governance arrangements (when compared to Option 3) 	<ul style="list-style-type: none"> Service may be held back by being part of a Corporate program of change – delayed implementation of automation / ICT systems Cannot initially align databases – requirement to Tender BCP currently employ 213 FTE but estimated will need approximately 176 (includes specialist services) – redundancy or redeployment Budget pressure to reflect the loss of income from Dorset Council (35% reduction in SVPP income) Existing MTFP based upon Partnership savings Likely to loose experienced staff 	<ul style="list-style-type: none"> No current experience at Dorset Council of managing a Unitary Council database and the resourcing demands for increasing the database by 60% East and North customer telephony experience will change from person / process at point of contact to recorded / push button answering service Dorset currently employ 76 FTE but estimated by consultant at needing 132 Loss of the SVEA Team to collect debt and the income generated by that service. Loss of the BCP CAT for all one point of contact telephony and F2F services provided at Wimborne, Blandford and Gillingham. No experienced staff / relationship with BID managers and software required As planning to use existing software it may not represent VFM or meet future service needs. Software not procured in over 10 years
	<ul style="list-style-type: none"> Divided responsibility for administration of Dorset Council's R&B Services Customers may be confused as to where they need to go Customers at both new Councils have two different service contact points and websites / forms for same areas ICT systems need aligning / tendering with inevitable impact upon service delivery when managed by two services Both Councils unable to plan service delivery SVPP currently is not considered part of either council and treated as "outside body / contractor" 			<ul style="list-style-type: none"> Residents moving between the Unitary Councils may identify differences in service. Both Councils will need to fund redundancy costs of BCP/SVPP staff May be unpopular with some staff Less resilience than Option 2 	
Opportunities		<ul style="list-style-type: none"> 2020/21 will see alignment of staff across SVPP & Bmth to one operational structure Can mitigate redundancies by vacancy control where workload decreases and robotics / automation enhanced Could seek to provide services to others SVEA could undertake other services Staff will be able to work from their most local processing centre / from home for all areas of service Free up accommodation space 	<ul style="list-style-type: none"> To fully embed digital and automated solutions and provide dedicated services to those who need support. Ability to offer a vehicle to provide efficiencies (both financial and non-financial) for other service areas at BCP and / or Dorset as "specialist services" such as Corporate Debtors, School meal subsidies, financial assessments The opportunity to consider in the future if Partner's wanted it to grow across County Boundaries Efficiencies gained through managing a substantial database. Would be second largest R&B services in the country – spotlight on work and performance. 	<ul style="list-style-type: none"> There will still be opportunity to bring together all BCP staff to one processing centre and release "in demand" accommodation by agile working The Council will be able to tender in for new software system to meet future service demand As Lead Authority could through the Partnership seek a new Partner to deliver efficiencies Can mitigate redundancies by vacancy freeze and temporary staff until end of 	<ul style="list-style-type: none"> There will be opportunity to operate from one processing centre (depending on accommodation) Telephony services and F2F could align to Dorset Customer Access Team Opportunities for delivering efficiencies through transformation. £846k pa identified can be delivered by 2022/23 Greater opportunity to share data corporately where it is to the benefit of other services/customers (e.g. Service already in conversation with Adult and Children Services to share data and information)

		by agile working and reduce travel • <i>Rather than end SVPP and create a new partnership, the SDP part of Dorset Council could join SVPP and receive all support services from BCP Council and operate with Northmead House as main processing centre with regional offices at Dorchester supported by Agile working for all staff.</i>	• Potential to share data (and information) with internal services	SVPP • The SVEA could potentially create same level of income from BCP as have been for SVPP • The SVPP apprenticeship scheme and staff development model could be rolled out through Financial Services	• Opportunities to undertake additional work for partners (E.g. Sundry Debtor collection, Fairer Charging assessments) • Greater opportunity to utilise Service skills, knowledge and spare capacity corporately (e.g. Service already assisting other services with workloads – such as Housing, Elections, etc)
				• Autonomy of the individual Local Authority on how the service is delivered. • Externalise if not efficient or partner with other departments. • Opportunity to partner at some point in the future • Opportunity to expand SVEA to include Dorset Council area	
Threats		• Dorset Council proposal to align database during 2020 will mean SVPP will have to operate on two servers based at different councils and lose current ability of making efficiencies through shared desktop and one workflow system • Policies between councils continue to go in different directions and impact efficiencies of partnership working • Unable to deliver automation without database / website alignment	• Individual Local Authority decisions being made can impact the ability to maximise efficiencies of the 'Pan-Dorset Partnership' (e.g. Dorset Council proposes to align databases in 2020 with existing supplier. This would move data base to Dorchester and end ability for staff to work from one desktop in the Partnership). • Staff retention – job evaluation may not reflect size and responsibilities of roles • Employing Authority may not be able to support services needs (e.g. redundancies) • Recharges are not agreed by partner councils and Partnership charges do not reflect VFM • <i>Will be second largest R&B services in the country – spotlight on work and performance.</i> • KPMG review could recommend a new model for service delivery • Potential issues over hosting arrangements. This includes agreement over who becomes the employer of staff, provider of IT support, etc • Potential impacts for issues where there are conflicting demands by Unitary Councils • Potential difficulties for sharing information (and data) with other internal services • Database conversions will provide significant risk (incrementally for the number of conversions required) • Councils may not be able to determine own policies if efficiencies are to be maximised	• There may need to be significant reduction in staffing and redundancy costs when ending SVPP as no TUPE transfers to Dorset • Loss of staff at a time of restructuring and new ICT software platforms will present high risk to service continuity • KPMG review could recommend a new model for service delivery	• The Council will need to allocate resources to ensure that by Jan 2021 all data held by SVPP (BCP) is securely transferred to the Dorset database so that annual billing can be delivered in Feb 21 for 2021/22 financial year and 2020/21 year end. • Staff shortages if unable to recruit staff for 1 April 2021 • Requirement for hardware and software for new staff (or transferred staff) • Will the accommodation at South Walks House meet demand of service • Potential not to realise efficiencies through large caseload / requirement for temporary resources • EDDC and NDDC customers may experience a different service as not being provided by BCP CAT • Potential TUPE impact for up to 50 staff • Potential impact on support services (such as HR, IT, etc)
				• Will the services be able on their own to reduce operational costs • Will the services compete with each other for Resources • Increased possibility of competing for scarce resources	
	<p>Decisions by each Council on Customer Access Strategies may impact R&B Service delivery</p> <p>Any change to the databases/software will affect service delivery during the conversion process (Learn from other – e.g. Cornwall & Wiltshire)</p> <p>Mitigation by planning, resource allocation and contract negotiations</p> <p>Natural migration of Working Age Housing Benefit Claimants to Universal Credit Claims will continue to impact the service and create the need to reduce staffing / transfer to other Council areas</p>				