

Cabinet – 16th June 2021

Revenues & Benefits processing system – contract extension

Portfolio: Councillor Andrew – Regeneration and Customer Engagement

Related portfolios: Councillor Bird – Leader of the Council

Service: Money, Home, Job

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 The Council has a current contract with Northgate Public Services ('Northgate') for the hosting and application services for Revenues and Benefits. The proposal is to extend the existing contract for a period of 12 months. The Money Home Job Service has experienced increased demand from COVID related government payments resulting in limited resource to undergo a full procurement process.
- 1.2 If this extension to the contract is approved, the overall value of the contract with Northgate will exceed £500,000. The Council's Contract Rules require that a contract of that value requires Cabinet approval. This is a key decision because the value of the contract exceeds delegated authority.

2. Summary

Approval is sought to extend the Northgate contract by 12 months to mitigate the risk of a lack of systems to perform the functions of collecting Council Tax, NNDR and making benefit payments.

3. Recommendations

- 3.1 That Cabinet approve the extension of the existing contract for a Revenues and benefits processing system with Northgate Public Services, for a period of 12 months at an estimated additional cost of £127,000.
- 3.2 That Cabinet delegate authority to the Executive Director of Children's Services, in consultation with the Portfolio Holder for Customer Access Management, to enter into an extension of the contract for the provision of a

Revenues and Benefits processing system (to include authorisation, sealing or signing of any contracts, deeds or other related documents for such services).

4. Report detail - know

- 4.1 Northgate currently provide the line of business system used to process Housing Benefit, Council Tax Reduction, Discretionary Housing payments and collect Council Tax and Business Rates. In the previous four years, the system has worked satisfactorily and is effectively supporting the Council to meet local resident's needs. The current contract start date was 11th June 2018 for a period of 3 years, Northgate have agreed due to the current pandemic to extend the contract for 12 months.
- 4.2 The system includes an on-line portal that allows customers to self-serve via our website. Access to on-line forms and self-service functionality has been especially important during the Covid-19 pandemic, with front-line services being closed.
- 4.3 The approval of a contract extension will assist the Council to meet the strategic priorities by helping to:
- Ensure Council services are efficient and effective.
- 4.4 Citizen Access products allow automation of direct debits, single person discounts and liability changes for Council Tax. Last year this totalled 61,866 transactions (which previously would have required officer intervention).
- 4.5 The application has helped reduce the need for manual notification letters and bills to be issued by the Revenues and Benefits department, instead notifications are regularly sent via electronically, which has provided revenue savings in printing and postage.

5 Council Corporate Plan priorities

- 5.1 **Economic Growth for all people, communities and businesses;** The proposal will help people on low incomes to claim benefits without the need to take time off work or suffer a loss of benefit entitlement. If individuals are financially secure they will have more disposable income to spend in local shops and businesses.
- 5.2 **Internal Focus – All council services are efficient and effective;** Digital by design will reduce the staffing resources required to administer Housing Benefit and Council Tax delivering cost savings to the Council.
- 5.3 **Children have the best start and are safe from harm, happy, healthy and learning well;** This proposal will help ensure that families within Walsall have their income maximised to ensure children have a better start in life, if parents

are more digitally aware they will be able to support their children more appropriately with schooling and internet safety.

- 5.4 **Communities are prospering and resilient with all housing need met in safe and healthy places that build a strong sense of belonging and cohesion;** Improving the access to Housing Benefit will reduce the likelihood of families becoming homeless.
- 5.5 The recommendations within this report will ensure residents can access services at a time, place and manner that suits their lifestyle. Ensuring the council has a system to be able to manage benefit payments to residents and collection of Council Tax and Business Rates is critical to supporting local people.

Risk management

6. The risks associated with failing to extend this contract would mean the Council would be no longer able to manage the payments of Housing Benefit, Council Tax Reduction, Discretionary Housing Payments and collection of Council Tax and Business Rates effectively.

Financial implications

7. The extension of 12 months to the contract with Northgate includes our hosted Revenues and Benefits System, support and maintenance, online forms and revenues and benefits processing system, which will take the total cost of the contract over £500,000 for the duration of the contract. The total cost of the 4-year contract (including requested extension period) is estimated to be £543,500 which requires authorisation from Cabinet. This cost will be covered by the existing budget for Money, Home, Job.

Legal implications

- 8 This is an extension to an existing contract, where the Council has contracted on Northgate's terms and conditions and which included an option to extend for the period requested in this report.
 - 8.1 Under the Housing Benefit Regulations 2006 the government allows an authority the power to determine their own claiming process and forms for Housing Benefit.
 - 8.2 There are limited companies in the market for Revenues and Benefits processing systems, Northgate is a major share-holder of this market. Best value has been considered and costs for annual charges would be within the same budget as Northgate and moving to alternative supplier would involve large implementation costs and training for staff.

Procurement Implications/Social Value

9. This extension is allowed within the original contract terms and is being conducted in accordance with the Public Contract Regulations 2015 and the Council's Contract Rules. The procurement process will begin in November 2021 to allow sufficient time to complete a full procurement process for services from June 2022.

Property implications

10. The Revenues and Benefits processing system allow staff to work remotely and would help support the Council's 'blended working' approach that is currently being developed in response to the Covid-19 pandemic.

11 *Health and wellbeing implications*

- 11.1 Without continued service provision customers would only be able to interact with Revenues and Benefits during office hours, which has potential to increase their stress and anxiety levels. The Marmot principles to address social determinants of health, the conditions in which people are born, grow, live, work and age and which can lead to inequalities.
- 11.2 The Council would be unable to calculate and make benefits payments to resident causing stress, anxiety and poverty in the borough.

Staffing implications

- 12 There are no staffing implications because the system is already in use and no further resource is needed to implement its continued use.

Reducing Inequalities

13. The implications for reducing inequalities have been taken into account and assessed as set out below.
 - 13.1 There will be a need to ensure our most vulnerable customers are supported, by ensuring they have the facility in order to make applications and received payments to maintain their rent for their accommodation.
 - 13.2 An EQIA was considered in May 2018, sufficient access to services exists with channels for our most vulnerable having been considered and therefore no accessibility issues.

14 *Consultation*

- 14.1 The relevant Council officers have been consulted on the contract renewal.

14.2 No service user consultation has been carried out as this is a request for an existing contract to be extended and no changes are being made to service user interaction or service provided.

15. Decide

Cabinet is required to decide the extension of Northgate contract for a period of 12 months, ensuring the Council can continue to collect Council Tax, NNDR and make payments of benefits mitigating the risk of no system available for such functions.

16. Respond

After consideration by Cabinet of this report the approval will be implemented by signing an extension for a period of 12 months.

17. Review

Subject to approval of this report, this contract will be reviewed in November 2021 with procurement to allow enough time for the process to be completed before the end of the extension.

18. Background papers

None

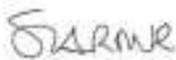
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