

Cabinet – 20 April 2022

Consolidation of Agreements for the Revenue & Benefit Processing System

Portfolio: Councillor Andrew

Related portfolios: Councillor

Service: Customer Engagement

Wards: All

Key decision: YES

Forward plan: YES

1. Aim

- To ensure the continuation of the revenues and benefits system with Northgate Public Services (NEC) to ensure the Council is able to process housing benefits, council tax deduction, discretionary housing payments and the collection of council tax and business rates.
- To ensure residents can continue to access the required revenues and benefits services offered by the Council.
- To consolidate all current engagements with Northgate into one co-termed agreement making the overall service easier to manage and monitor.

2. Summary

- 2.1 The Council has been using software provided by Northgate, for many years to process housing benefits, council tax deduction, discretionary housing payments and the collection of council tax and business rates, with contracts for a variety of products all of which are due to expire in June 2022.
- 2.2 When the Government introduced Universal Credit they stated that there would be significant changes to the payment of benefits by Councils. However these have not been rolled out as rapidly as expected and therefore there is still the requirement for Councils to continue to process Revenues and Benefits payments and applications in the current manner for the foreseeable future, however this may change towards the end of this new contract.

- 2.3 Moving to a new supplier would incur significant conversion costs and create unnecessary risks without adding additional value.
- 2.3 The Third Party Spend Board have considered options available and have decided that a consolidation of current contracts with the existing supplier is the most economic and carries the least risk to the Council in delivering this essential service.
- 2.4 The consolidation of these products into one contract will ensure continuity of service, there will be no system changes required.
- 2.5 This is a Key Decision because the Council is incurring expenditure which is significant and in excess of £500,000.

3. Recommendations

- 3.1 That Cabinet approve the award of a contract to NEC Software Solutions UK Limited, T/A Northgate Public Services under Lot 2A (Business Applications) of Crown Commercial Service (CCS) framework RM3821 (Data and Application Solutions) for the period 1 June 2022 to 31 May 2027 with an estimated total value of £981,340.
- 3.2 That Cabinet delegate, to the Executive Director for Children & Customer Services, the sealing of any deeds or signing of contracts and any other related documents in order to enter into the proposed contract and to subsequently authorise any variations to the contractual arrangements, should this be required, throughout the duration of the contract term provided they are in line with the Council's Contract Rules and any relevant legislation, including Public Contracts Regulations 2015.

4. Report detail - know

Context

- 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.
- 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-serve have been and will continue to be especially beneficial throughout the pandemic.

4.3 This proposed contract will consolidate the modules in Table 1, below, into one single contract:

Table 1

NEC Software		
Core Product	Module	Sub Module
Revenues & Benefits	NEC HRB	Revenues & Benefits Silver
Revenues & Benefits	AUDDIS, ADDACS & ARUDD	AUDDIS, ADDACS & ARUDD
Revenues & Benefits	Bespoke Licence	Bespoke Non-Repeatable Licence
Revenues & Benefits	Council Tax	Council Tax
Revenues & Benefits	Council Tax Benefits	Council Tax Benefits
Revenues & Benefits	Council Tax Reduction	Council Tax Reduction
Revenues & Benefits	Council Tax Reduction	FINDSCHEME
Revenues & Benefits	Creditors	Creditors
Revenues & Benefits	CTR Calculation	Restrict allowance to 2 children
Revenues & Benefits	Debtors	Debtors
Revenues & Benefits	Educational Benefits	Educational Benefits
Revenues & Benefits	Flat File Billing	Flat File Billing
Revenues & Benefits	Housing Benefits	Housing Benefits
Revenues & Benefits	Integration	3rd Party Document Management Integration
Revenues & Benefits	Integration	Gazetteer Integration
Revenues & Benefits	Intervention Management	Intervention Management
Revenues & Benefits	Legislation	IB/ESA S&M
Revenues & Benefits	Legislation	Local Housing Allowance (LHA)
Revenues & Benefits	NDR	NDR
Revenues & Benefits	NDR	VOA Business Rates Data Extract
Revenues & Benefits	Open Transactions (API's)	All standard R&B APIs
Revenues & Benefits	Overpayment Recovery (Max. Weekly Deduction)	Overpayment Recovery (Max. Weekly Deduction)
Revenues & Benefits	QueryView	QueryView
Revenues & Benefits	Scan Application	Scan Application
Revenues & Benefits	Summary Letters	Summary Letters
Revenues & Benefits	Victor	Victor

4.4 The new contract will also include a license to use third party products to allow access to Oracle and a reporting tool

Council Plan priorities

- 4.5 The effective administration of revenue and benefits is crucial to enable the Council to deliver on all 5 corporate plan priorities, with a consolidation of the solutions provided it enables the service to segment service delivery and better support the most vulnerable members of our community.
- 4.6 The products provided by Northgate already support the Council's digital ambitions and the Customer Access programme and will continue to do so under the proposed new contract.

Risk management

- 4.7 The delivery of revenue and benefit services is a key function of the Council and integral to the financial management for the delivery of day-to-day services. Northgate is considered to be the leading provider with around 70% of the local government market using its products.
- 4.8 Moving providers would require significant resources to deliver a successful conversion at a significant cost to the Council at a time where staff are already being stretched with implementing other solutions.
- 4.9 No savings could be identified from moving to another provider

Financial implications

- 4.10 The new contract will continue to deliver the service as previously delivered. The on-line portal that allows customers to self-serve via our website will continue to make the revenues and benefits service more efficient and responsive to the needs of our residents.
- 4.11 The total cost of this contract is estimated to be £981,340.00 (over 5 years).

Legal implications

- 4.13 By using the CCS framework, the Council accepts the terms of supply and as such has not consulted with Legal Services about this proposal.
- 4.14 No other legal implications have been identified by the report author.

Procurement Implications/Social Value

- 4.14 A number of changes are expected to be made to the way local authorities manage and monitor Revenues and Benefits within the next 5 years and a review has concluded that there would be significant transitional costs and services risks to implement a new system.
- 4.15 Therefore there is a requirement to seek a suitable and compliant route to ensure the continuation of the existing system and to consolidate all current contractual agreements with Northgate into one co-termed agreement making the overall service easier to manage and monitor.
- 4.16 Following discussions between procurement and Crown Commercial Services the decision was made to use the direct award facility under Lot 2A (Business Applications) of RM3821 (Data and Application Solutions) to directly award a contract under the Framework which is compliant with the Public Contracts Regulations 2015.

Property implications

- 4.17 None

Health and wellbeing implications

- 4.18 The Marmot objectives have been considered in this report and no changes are proposed that will impact these.

Staffing implications

- 4.19 None

Reducing Inequalities

- 4.20 There are no planned changes to existing service delivery therefore no Equality Impact Assessment is required.

Consultation

- 4.21 Third party spend board reviewed other options but decided that consolidation was the most appropriate choice having reviewed other providers solutions within the market.

5. Decide

- 5.1 A consolidation of the contract will not impact on service delivery

6. Respond

- 6.1 Northgate will be notified of the Cabinet decision and any issues reported throughout the duration of the proposed contract

7. Review

- 7.1 The contract proposal is for a 5 year term, the service will review the effectiveness of the solution and monitor the market for alternative solutions throughout the period of the contract and conduct a detailed review of alternative options by year 4 of the contract at the latest.

Background papers

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Sally Rowe
Executive Director
22nd March 2022



Councillor Andrew
Portfolio Holder Regeneration
12th April 2022