



EXECUTIVE BOARD DECISION

REPORT OF:	Executive Board
LEAD OFFICERS:	Strategic Director of Finance and Resources
DATE:	Thursday, 7 December 2023

PORTFOLIO/S AFFECTED:	Finance and Governance
WARD/S AFFECTED:	All
KEY DECISION:	Y

SUBJECT: Contract award for the Revenues and Benefits system

1. EXECUTIVE SUMMARY

To seek approval from the Executive Board for the Council to enter into a contract for the provision of a cloud hosted Revenues and Benefits IT system.

2. RECOMMENDATIONS

That the Executive Board:

- Approves the award of the contract for a Revenues and Benefits IT system for a five year period to NEC Software Solutions UK Ltd.

3. BACKGROUND

Prior to the end of the partnership agreement with Capita in 2016, the Council tendered the move to, and the hosting of the Revenues and Benefit IT system in a cloud based solution. This contract was awarded to Northgate Public Services UK Ltd (which renamed itself to NEC Software Solutions UK Ltd) for a 5 year period with the option to extend for a further 2 year period. The current contract is coming to an end on the 26th June 2024 and over the last few months the department has been looking at the options available for re-procurement.

There are currently only three main providers of Revenues and Benefits systems to local government with few differences in terms of the functionality between the systems. Two of these providers have the majority of the market share, one of which is NEC Software Solutions UK Ltd.

The Revenues and Benefits system holds hundreds of thousands of historic and current Council Tax, Business Rates, Housing Benefit, and Council Tax Support records going back to 1993. Consideration was given to either an FTS (Find a Tender Service) procurement process, or further competition through a framework. Whilst this could potentially have a financial benefit in terms of annual costs, the selection of a new supplier would introduce significant risks in terms of data transfer and staff time required for any implementation. It is estimated that the cost of change involved in such a system would likely exceed £750k. This is based on implementation costs previously incurred by

the Council to implement another large software solution, and also another similar sized authority who previously changed their Revenues and Benefits system.

After careful consideration, it is the view that this is outside the risk appetite of the Council on the basis of the potential impact on customers, the risks to reputation, and financial risk.

4. KEY ISSUES & RISKS

The basis for the recommendations in this report is the assessment that it is not in the interest of the Council to go to tender for this service for the following reasons:

- The cost of changing the IT system would outweigh any benefits achieved;
- The internal time and cost to change is significant, and;
- The current service suitably meets our needs, and the operational risk would need further evaluation.

Over recent years, the government has realised the requirement for Councils to be able to contract for their existing key systems and therefore the contract will be executed through the Crown Commercial Vertical Application Solutions (VAS) procurement framework, which allows direct award . The department has undertaken a review of all manufacturing offerings that are available for direct award with the only viable option being that from NEC Software Solutions.

The current Revenues and Benefits system has also proven to be effective and reliable, being developed with Government and Councils to provide an excellent, innovative service, tailored to the needs of residents and customers.

Revenues and Benefits provides a number of services, which support low income/vulnerable households. It also provides the main source of income for the council through collection of Council Tax and Business Rates. This income is used to deliver key council services, any distribution would have serious implications for the Council.

5. POLICY IMPLICATIONS

The Revenues and Benefits IT system underpins a number of key Council policies, which provide crucial financial support to our lowest income households, and also ensures that businesses get the reliefs and discounts they are entitled to.

6. FINANCIAL IMPLICATIONS

The Council has benefited from a fixed price contract over the last 3 years that was agreed in 2021 at £192,254 per annum. The new agreement will see a fixed price for the next 5 years of £241,735 per annum. The department will therefore require a budget increase of £37,110 for the 2024/25 financial rising to £49,480 from the 2025/26 financial year.

The additional costs have been factored into the 24/25 budget.

7. LEGAL IMPLICATIONS

The procurement process complies with the regulations of the Council's Contract and Procurement rules and the Public Contract Regulations 2015. All contracts and contract variations will be in a form approved by legal officers in the Contracts and Procurement team.

The Council has a statutory duty to administer and collect Council Tax, National Non Domestic Rates (NNDR), Housing Benefit, Council Tax Support and Discretionary Housing payments for the residents

of the borough.

8. RESOURCE IMPLICATIONS

There are no resource implications associated with this decision.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

None with this report.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION:	1
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CONTACT OFFICER:	Andy Ormerod
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DATE:	15 th November 2023
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BACKGROUND PAPER:	None.
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