



## London Borough of Enfield

***NOTE TO REPORT AUTHORS AND OTHERS: Until this report is published, even if it is ultimately to be considered in Part 1, it should not be circulated beyond the Cabinet (excepting officers writing and reviewing the paper through this process) or sent externally, and its contents should be treated as confidential.***

<b>Report Title</b>	Support services for Revenues & Benefits and Financial Assessment Teams
<b>Report to:</b>	Cabinet Member for Finance and Procurement
<b>Date of Report:</b>	10 April 2023
<b>Cabinet Member:</b>	Cllr Leaver
<b>Directors:</b>	Simon Pollock – Interim Executive Director of Environment and Communities Fay Hammond – Executive Director of Resources
<b>Report Author:</b>	Sally Sanders – sally.sanders@enfield.gov.uk
<b>Ward(s) affected:</b>	All
<b>Key Decision Number</b>	KD5577
<b>Implementation date, if not called in:</b>	1 April 2023
<b>Classification:</b>	Part I Public

## Purpose of Report

1. The purpose of this report is to set out the proposed 12-month contractual agreement for services provided to the Council by Civica UK Ltd for the 2023/24 period.

## Recommendations

1. It is recommended that a 12 month contract with an optional extension of further 12 months is directly awarded to Civica UK Ltd for the 23/24 period, via the G-Cloud 13 framework, for processing and support services for Income & Debt (I&D) and Financial Assessment (FA). The contract will be in a form of two separate Call-Offs under G-Cloud 13 Framework – one Call-Off for Telephony Services and another for Processing and Support Services, both for 12 months each with an option to extend for a further 12 months. The commencement date for both Call-Offs is 1 April 2023.

## Background and Options

2. Civica are the providers of Councils IT database for I&D and FA services. Since 2016, the Council have contracted Civica to deliver processing and administration services for both I&D and FA, as well as telephony services, processing up to 140,000 items pa on behalf of the Council.
3. The current Civica contract for the following 11 processing and support services expires in March 23:
  - Council Tax Processing
  - Business Rates Processing
  - Business Administration Plus Revenues Staff
  - Housing Benefits Over Payment Recovery
  - Procollect
  - Housing Benefit Processing
  - Adult Social Care Financial Assessments
  - Business Administration Plus Benefits Staff
  - Business Rates Telephony
  - Single Person Discount Monitoring
  - Council Tax and Housing Benefit Telephony
4. I&D and FA teams are not currently resourced to deliver all of the above services in house. However, some services included in the 22/23 contract, are considered to be deliverable internally. It is therefore considered, that from April 23, the following functions will no longer be delivered by Civica:
  - Business Rates Processing
  - Business Administration Plus Revenues Staff
  - Housing Benefits Over Payment Recovery
  - Procollect
  - Business Rates Telephony
  - Single Person Discount Monitoring

5. The Council is currently undertaking a full assessment of I&D and FA contracted functions. There is an aspiration to explore the potential for all currently contracted functions detailed above to return to in house delivery by April 2024. A detailed insourcing proposal may be brought forward in a separate report following a business case assessment and review including full staff and related TUPE impacts.
6. The proposed contract includes the tapering of contracted resources to enable the Council to commence with a phased return of services in house if this is agreed. The tapered contract will ensure service delivery of all critical processing and support services, during this potential transitional insourcing period. The contract will include an extension clause, which could be executed if required, during this process or to enable a full tender process if the potential insourcing is not taken forward.
7. The G-Cloud 13 framework provides a compliant route to directly awarding a contract for the services detailed above. A copy of the contract terms and conditions are attached to appendix 1 & 2 of the Part 2 report. This route to contract will be in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).
8. The options available for the current contractual situation are limited to the following options:

*Do Nothing*

9. Once the current contract expires in March 2023, the Council could choose not to award any further contracts, the services would then cease as the Council does not have capacity at present to provide the services in house.

*Directly Award Contract to Civica for 23/24 Period*

10. The Council could directly award the proposed contract to Civica via the G-Cloud 13 framework. The contract will provide the Council with sufficient resources for the 23/24 period and allow the exploration of the potential for a phased returned of services in house. The contract would include an extension clause, which could be executed if required if necessary during this process.
11. If a decision is made not to deliver the services in house, the proposed contract, will enable existing services to continue and provide sufficient time for the Council to implement an alternative delivery route.

*Full Tender exercise for 23/24 Period*

12. A full open tender exercise could be undertaken to expose the contract opportunity to the wider market and ensure the fullest range of potential suppliers are able to bid. However this is not possible due to the timeframes required for such a tender.

13. In view of the existing operational relationship with Civica and the availability of a compliant framework as detailed above under which the works can be sourced, it is recommended to work with Civica for another minimum 12 month period while other options are fully explored.

### **Considerations**

14. The Council does not have sufficient resources to immediately deliver in house, the services included within this proposed agreement. With the Council's aspiration to explore the potential to return all I&D and FA services in-house by April 24, agreeing a 12-month contract with Civica, provides guaranteed service delivery during this period.
15. The G-Cloud 13 framework provides a compliant route to directly awarding a contract to Civica for the required services.

### **Risks that may arise if the proposed decision and related work is not taken**

16. If the proposal is not taken the Council would not have the required resources available to deliver vital services, including
  - 140,000 + calls per annum taken for Revenues and Benefit queries. If the service is withdrawn, there is no skilled in-house service that can take these calls at immediate notice
  - Housing benefit award accuracy reviews that the DWP mandate Housing Benefit undertake, provides £250,000 for additional resources. If the service is withdrawn, then there would be insufficient resources to deliver reviews. This would likely mean that targets were not met, and would risk the DWP putting the Housing Benefit team under performance measures requiring the repayment of this funding
  - If the service contract is not awarded, then there would be insufficient resources to deliver Housing Benefit Assessments, Council Tax transactions and Adult Social Care assessments. This would increase/create backlogs, meaning residents wouldn't get the help they need on time and council tax bills wouldn't be issued in good time, reducing collection

### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

17. If the Council makes a decision to insource the contracted services, internal resourcing may not be in place at the time of contracted service reduction. The contract will include the facility of delaying the tapering of any services in the case of Council facing recruitment issues.

### **Preferred Option and Reasons for Preferred Option**

18. The preferred option is for the Council to directly award a 12-month tapered contract to Civica, via the G Cloud 13 framework, to provide processing and support services for I&D and FA.
19. The provision of the tapered contract will ensure service delivery of all critical processing and support services, during the potential transitional insourcing period which is subject to a further decision process as detailed in section five above.

### **Relevance to Council Plans and Strategies**

20. Services provided as part of the contract support the cross-cutting themes of a modern council and a fairer Enfield.

### **Financial Implications**

21. There is budget provision to fund this contract cost, however the financial impact to potentially bring the service inhouse is under review and will be assessed and reported at a later stage.

### **Legal Implications**

22. The Council is required as a best value authority under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
23. The Council also has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation. This includes, pursuant to section 1(4):
  - (a) power to do it anywhere in the United Kingdom or elsewhere,
  - (b) power to do it for a commercial purpose or otherwise for a charge, or without charge, and
  - (c) power to do it for, or otherwise than for, the benefit of the authority, its area or persons resident or present in its area.
24. The Council may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others. The Council, moreover, has power under s.111 Local Government Act 1972 to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions (which would include childcare functions). The recommendations within this report are in accordance with these powers.
25. The Council has a general duty under section 149(1) of the Equality Act 2010 (the Equality Act) to have due regard, in the exercise of its functions, to the need to:
  - Eliminate unlawful discrimination, harassment, victimisation and any conduct prohibited by the Equality Act;

- Advance equality of opportunity between people who share a protected characteristic and people who do not share it ; and
- Foster good relations between people who share a protected characteristic and people who do not share it.

Relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

26. When commissioning public services, the Public Services (Social Value) Act 2012 requires the Council to think about how it can also secure wider social, economic, and environmental benefits.
27. The value of the services is above the public procurement threshold and therefore the Public Contract Regulations 2015 (PCR 2015) will apply to the procurement of this contract. The use of a framework is a compliant route to award, provided that the procurement process complies with the PCR 2015, the Council's Contract Procedure Rules (CPR), and the terms of the framework itself. It is noted that the Procurement and Commissioning Hub has carried out due diligence on the framework and has confirmed that a compliant procurement process has been undertaken.
28. The terms of the contract procured must be consistent with the CCS framework, and in a form approved by Legal Services on behalf of the Director of Law and Governance. See Part 2 for further information.
29. It is likely that bringing the services in-house at the end of this Call Off may amount to a 'service provision change' within the meaning of TUPE 2006. See Part 2 for further information.
30. All other legal agreements entered into in consequence of the approval of the proposals set out in this report must also be approved by Legal Services on behalf of the Director of Law and Governance.
31. In respect of any contract with a value of £1m and over, the Council's CPRs (7.2) state that the contractor must be required to provide sufficient security. 'Sufficient security', means one of the following: (i) parent company, ultimate holding company or holding company guarantee where their finances prove acceptable; (ii) director's guarantee or personal guarantee where their finances prove acceptable; (iii) performance bond, retained funds or cash deposit; or (iv) any other security as determined by Financial Management Services and/or Legal Services. Evidence of the form of security required or why no security was required must be stored on the E-Tendering Portal for audit purposes. The Council should liaise with the Procurement and Commissioning Hub for assistance on this.
32. As the value of the contract exceeds £500,000, officers must ensure this report follows the Council's Key Decision process.

33. Exercising of the option to extend the contract or incurring any spend above the figures approved in Part 2 will require obtaining a further authority report in accordance with the appropriate governance process.

*(Legal implications provided by E.M. on 31/03/2023 based on the version of the report circulated on 31/03/2023 at 11:09am. Further legal implications provided by E.M. on 14/04/2023).*

### **Equalities Implications**

34. An Equalities Impact Assessment Statement has been undertaken and is attached to appendix 4 of this report.
35. The EQIA confirmed that the proposed contract will ensure the continued delivery of high quality delivered services which will not have a negative impact for any person of a protected characteristics.

### **Procurement Implications**

36. Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015). This procurement activity will go through the Procurement Services Assurance process and the necessary Gate Reports shall be prepared.
37. The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.
38. All awarded projects must be promoted to Contracts Finder to comply with the Government's transparency requirements.
39. The services can be procured under G-Cloud 13, ensuring the Council is in adherence with the CPR's and Public Contracts Regulations.
40. As this contract will be over £500,000 the CPR's state that the contract must have a nominated Contract Manager in the Council's e-Tendering portal and there must be evidence of contract management, including, operations, commercial, financial checks (supplier resilience) and regular risk assessment uploaded into the Council's e-Tendering portal.

---

**Report Author:** Sally Sanders  
Head of Financial Assessments  
Sally.sanders@enfield.gov.uk  
020 132 2665

### **Appendices and Background Papers**

The following documents have been relied on in the preparation of this report:

- Appendix 1 – Contract 1 Telephony Services
- Appendix 2 - Contract 2 Processing & Support Services
- Appendix 3 – Executive Director for Resources Approval
- Appendix 4 - EQIA

