

# Report to Cabinet

**23 February 2022**

<b>Subject:</b>	eCapture and Webcapture Services
<b>Cabinet Member:</b>	Councillor Maria Crompton - Cabinet Member for Finance and Resources
<b>Director:</b>	Simone Hines – Director of Finance
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Ian Dunn <a href="mailto:ian_dunn@sandwell.gov.uk">ian_dunn@sandwell.gov.uk</a> Sue Knowles <a href="mailto:sue_knowles@sandwell.gov.uk">sue_knowles@sandwell.gov.uk</a>

## 1 Recommendations

### That approval be given to:

- 1.1 Authorise the Director – Finance to make a direct award of a contract to Govtech Solutions Limited for providing automation services for Council Tax, Benefits and Business Rates to the Revenues and Benefits Service, procured through the G-Cloud 12 Framework Agreement (Framework reference: RM1557.12), for the period 1 April 2022 to 31 March 2024 with an option to extend for a further 2 years up to 31 March 2026.
- 1.2 Authorise the Director Law and Governance – Monitoring Officer to execute any documentation necessary to enable the course of action referred to in 1.1 above to proceed.



- 1.3 That any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in 1.1 above to proceed.


## 2 Reasons for Recommendations

- 2.1 The Revenues and Benefits Service have been using Govtech's automated services since 2006.
- 2.2 The Govtech solution provides online self-service forms for Revenues and Benefits. Content from completed web forms is extracted and routed directly to Govtech who cleanse the content as required and automatically loads and/or completes the transactions in the Council Tax, Business Rates and Benefits systems. Business rules specified by Revenues and Benefits are applied to the content before it is loaded reducing errors and the need for staff intervention.
- 2.3 The Govtech solution also automatically processes information received from the Department for Work and Pensions regarding changes in welfare benefits. These changes are uploaded to the Benefits System where claims are recalculated as required.
- 2.4 The current contract comes to an end on 31 March 2022. It has delivered front and back-office productivity gains by automating transactions enabling Revenues and Benefits staff to focus on the more complex incoming work streams which cannot be automated. During the last financial year over 174,500 transactions were handled by the Govtech solution. We therefore want to continue to use this service.
- 2.5 There are only 2 providers of this service and the alternative provider, who is also listed as a supplier on the G-Cloud 12 Framework Agreement (Framework reference: RM1557.12) has been approached and has confirmed that they would not tender for this contract.



- 2.6 The contract will be awarded through the G-Cloud 12 Framework Agreement (Framework reference: RM1557.12) for a period of 2 years commencing 01 April 2022 to 31 March 2024 with an option to extend for a further 2 years up to 31 March 2026.
- 2.3 The value of the new contract is £168,110 per year making the total including the 2-year optional extension period £672,440.

### 3 How does this deliver objectives of the Corporate Plan?

	<p>People live well and age well</p>	<p>Ensuring speedy processing and notification of Housing Benefit and Council Tax Reduction decisions is essential and allows households to budget effectively.</p> <p>Prompt issue of Council Tax and Business Rates bills minimises arrears.</p>
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### 4 Context and Key Issues

- 4.1 The Revenues and Benefits Service have been using Govtech's automated services since 2006.
- 4.2 The current contract was procured through Northgate Public Services Limited (now known as NEC Software Solutions Limited) as part of an ICT Managed Service provision. This contract included a fully managed ICT provision as well as Revenues and Benefits core systems, a hybrid mail solution, document scanning and indexing services and Govtech services. This contract is due to end on 31 March 2022.
- 4.3 The Govtech solution automates most of the day-to-day manual workload associated with processing online transactions and frees up back-office resources for other work priorities.



4.4 Forms completed online are processed by Govtech overnight and where transactions are automated most Council Tax bills/benefit decisions are generated and despatched the next day. This ensures that citizens' self-service experience is positive, which helps drive further traffic towards the MySandwell portal. The following online forms are processed by Govtech:

**Benefits:**

- Housing Benefit/Council Tax Reduction New Claims
- Housing Benefit/Council Tax Reduction changes in circumstance
- DWP new/changes to welfare benefits

**Council Tax:**

- Direct Debits including the issue of an email acknowledgement
- Single Person Discounts (SPD)
- Move In (Alone, Departure, Death, Disregard)
- Move Out of Sandwell
- Move Within (incorporating unoccupied discounts/refunds/credit transfers, where applicable)
- Copy Bill Request
- Payment Arrangement (pre-summons)
- Special Payment Arrangement (post summons)
- SPD Review and Cancellation
- Small Landlord (change of tenancy notification)
- Large Landlord Schedule of Notifications
- Register for Paperless Billing
- Council Tax Move In (notified on New Benefit Claim)

**Business Rates**

- Direct Debits
- Move In/Move Out
- Request a Copy Bill
- Register for Paperless Billing

4.5 The Revenues and Benefits Service receive a daily electronic file of new and amended entitlements to Universal Credit from the DWP. These files are sent to Govtech who process the data file automatically updating the information held on the NEC Revenues and Benefits System. Residents



are notified of any changes to Housing Benefit/Council Tax Reduction the next day.

4.6 A number of benefits have been realised as a result of using the Govtech Solution:

- Employees don't spend time on low-value tasks such as keying in of data
- Data entry errors are reduced as information is extracted and automatically loaded into core systems
- Speed of processing has significantly improved, provided a better service to residents
- Backlogs of work are minimised as all online forms submitted are processed regardless of volumes
- Benefit overpayments are minimised as DWP changes are automatically processed daily – this also reduces housing benefit subsidy loss to the Council
- Telephone and face-to-face contacts have reduced as the majority of Revenues and Benefits services are now available online
- Work which generates a high volume of 'no change/action required' is automatically handled without the need for manual intervention
- We now hold up-to-date contact information for our residents as it is requested and loaded from all online forms - this allows us to exploit modern communication methods such as texting and emailing
- Reduction in FTE's (through natural wastage) as a result of automation

4.7 Sandwell have worked with Govtech Solutions Limited since 2006 and developed the first form with them which many Local Authorities now use. The services we have received from Govtech Solutions Limited have been of a high standard and we have flexibility to review and improve processes as required.

4.8 Legal Services have been consulted and they have been informed that the G-Cloud 12 Framework Agreement (Framework reference: RM1557.12) commenced on 28/09/2020 and will be in place until 27/09/2022. The Framework is therefore currently in force and call-



offs/individual contracts can be awarded under the Framework whilst the Framework is in operation. As a result, this would permit a call-off contract to commence on 01 April 2022.

- 4.9 The information attached to the Crown Commercial Services G-Cloud 12 Framework Agreement (Framework reference: RM1557.12) states that the maximum call-off length is an initial duration of two years plus two extension options of up to twelve months each, and such extension options must be specified in the initial contract terms. As a result, the total call-off length should not be for more than four years (which includes the initial call-off duration plus the two extension options). Accordingly, the proposed duration of the call-off contract from the period 01 April 2022 to 31 March 2024, with an option to extend for a further two years up to 31 March 2026, is aligned with the maximum length permitted for a call-off contract under the Framework Agreement. In addition, the two extension options of up to twelve months each are stipulated in the call-off contract documentation.
- 4.10 The direct award under the Framework Agreement is compliant with the requirements set out in Regulation 33 of the Public Contracts Regulations 2015 (PCR 2015).
- 4.11 Clause 9.1 of the Council's Procurement & Contract Procedure Rules states that: *'Unless making a call-off from a properly procured Framework Agreement to a single supplier or a direct award, all requirements above £5,000 in total value must be advertised on the council's agreed portal'*. The Council is of the view that its needs/requirements can be met by Govtech Solutions Limited, which is one of the suppliers listed on the Framework. As the Council is intending to procure from the Framework by call-off without competition for a contract, the Council would not be required to advertise the opportunity (under clause 9.1 of the Council's Procurement & Contract Procedure Rules). Consequently, the Council can instead proceed with the direct award without prior advertisement.



## 5 Alternative Options

- 5.1 Govtech Solutions Limited are the sole provider of eCapture and Webservices. One other provider resells Govtech Solutions Limited services through a package of digital services, however this provider has been approached and have confirmed that they would not bid for Sandwell's requirements.
- 5.2 An alternative would be to discontinue the use of Govtech however significant additional resource would be required to carry out the manual processing of notifications and both speed of processing and accuracy of data would be adversely affected.

## 6 Implications

<b>Resources:</b>	The total value of the contract for the 4-year period is £672,440, which includes the 2-year optional extension period. This will be funded from the existing Revenues and Benefits Service's budget.
<b>Legal and Governance:</b>	<p>Legal Services have been consulted and they agree that the proposed call-off will be compliant with the PCR 2015 and the Council's Procurement &amp; Contract Procedure Rules.</p> <p>Regulation 33(8)(a) of the PCR 2015 sets out the criteria for making a direct award where a framework agreement is concluded with more than one supplier. In accordance with the regulations, the Council is satisfied that following its own due diligence, it has identified the supplier that offers best value for this requirement.</p> <p>Legal Services will work with Procurement Services to develop the contract documentation. A Data Protection Impact Assessment has been completed and approved by Information Governance.</p>



<b>Risk:</b>	The corporate risk management strategy has been complied with to identify and assess the risks associated with the recommendations being sought. This has concluded that there are no significant risks that require reporting.
<b>Health and Wellbeing:</b>	The Govtech solutions ensure speed of processing and therefore minimises hardship associated with delayed benefit payments and arrears of Council Tax/Business Rates.
<b>Social Value</b>	Social Value will be considered during the procurement process

## 7. Appendices

None

## 8. Background Papers

None

