

Approval to award an automated solution to improve processing of Revenues Services transactions

Date: 22nd June 2022

Report of: Head of Revenues Officer

Report to: Chief Officer Financial Services

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Approval is sought to appoint Govtech Solutions Ltd to assist with the end-to-end automation of many council tax and business rate transactions via the council's website and to vary an existing contract with Capita PLC for the Academy Revenues & Benefits system. The new system will deliver:

- increased customer access to council tax services,
- improved customer satisfaction,

Recommendations

The Director of Resources is recommended to approve :

- a) The award of a new contract, in line with CPR 3.1.7, to Govtech Solutions Ltd for the provision of a software system to support the delivery of the end to end automation of many council tax and business rates transactions via the council's website. The contract shall be for the period of 11th July 2022 to 10th July 2024 with the option to extend by two periods of 12 months. The maximum value per annum being £156,875 and so has a potential total of £627,500 if the extensions are taken up in full.
- b) The variation of the existing Academy Revenues & Benefits contract with Capita PLC for the installation of the API connections for the smooth and efficient transfer of information between the Govtech solution and the Academy system. The variation will be for the one off cost of installation at a total cost of £140,203.

What is this report about?

1. Approval is sought to appoint Govtech Solutions Ltd to assist with the end-to-end automation of many council tax and business rate transactions via the council's website and to vary an existing contract with Capita PLC for the Academy Revenues & Benefits system. The new system will deliver:
 - increased customer access to council tax services,
 - improved customer satisfaction,
2. This contract is a call-off contract under the Crown Commercial Services (CCS) G-Cloud 12 framework agreement, lot 2 Cloud hosting , software and support. Search and filters were used to identify the supplier that met the functional specification. The search provided one supplier this being Govtech Solutions Ltd which met the criteria.
3. In order to automate council tax processes access is required to the Academy application via APIs (Application Programming Interfaces). The Academy application is hosted by Capita PLC and the APIs are a proprietary product developed by Capita PLC and therefore technically can only be provided by Capita PLC. As the Council already has a contract with Capita PLC for the provision of the Academy application it represents best value to vary the contract to support the Council Tax Automation solution.
4. Council Tax automation will support the council's ambition to be an efficient, enterprising and healthy organisation by making better use of resources (people and money), and improving access to council tax services through modern, integrated self-service via the website. An increase in self-service will improve accessibility to council tax services by offering a 24/7 365 day channel. The project will improve the customer experience, encouraging customers to transact with us at times and in ways which are more convenient for them and more efficient and cost effective.
5. Automation and self-serve are consistent with the council's wider digital transformation aspirations.

What impact will this proposal have?

- 6 The proposal will improve the customer experience when accessing council tax and business rates services, improve response times by the council services when dealing with resident's communications and lead to quicker responses rates by services when dealing with these requests. The services will be able to focus on more complex cases and be able to bill quicker leading to improvements for collections of council tax and business rate.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 7 The project supports the sustainable infrastructure aspect of the Council Best Council Plan by improving access to council tax services through modern, integrated self-service via the website.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 8 Engagement has taken place with staff members in the Revenues Service, Contact Centre and IDS (Integrated Digital Services). The Council Tax automation project is part of a wider programme of work aimed at driving improvements in the Contact Centre and Web Services. This stemmed from significant research that was undertaken with the service/and service users during the past 18 months (including an external, independent review) to better understand the volumes and reasons for calls, what drives customer contact and what we can do to improve the service to customers such as reducing need to call or call repeatedly and provide access to better online services. This research informed us that although there are a number of Council Tax forms on the website already, they are not as easy to use as they need to be, nor do they automatically update the Council Tax system, which can cause some confusion if any changes of circumstances cross over with issue of bills/reminders. The proposed solution aims to resolve the issues that customers experience, by providing easier to use forms, and automatic (quicker) update of the Council Tax system, as well as reduce the manual processing of data in the Council Tax office.

What are the resource implications?

- 9 The anticipated development costs for the Council Tax Automation are estimated at £1.1m for the life span of 2022/23 to 2025/26. The funding for this project will be supported through the transformation capital programme, saving efficiencies through Revenues and Contact Centre Service and New Burdens Reserve.
10. This procurement exercise has utilised a Crown Commercial Framework Agreement and has been conducted in line with the Digital Marketplace buyers guide, using the CCS G-Cloud 12 framework agreement, lot 2 Cloud hosting, software and support. This section of the market place has 11,899 suppliers, search criteria for "council tax automation" reduced the suppliers in this area to 7. Filters were included for no resellers, security standards required and mobile/web availability for residents, to identify the supplier that met the functional specification. The search provided one supplier this being Govtech Solutions Ltd which met the criteria.
11. The end to end automation requires connection to the Revenues Academy system hosted by Capita. In order to automate council tax processes access is required to the Academy application programmatically, via APIs. This enables automation routines to perform the same actions that a person would through the user-interface (the main application). The APIs for a piece of proprietary software can only be developed by the supplier as it requires knowledge of the underlying database, as well as the data flows and business rules within the application. The APIs are fundamentally part of the same application, without which we will have to process everything manually. The implementation costs are £140,203 as a variation to the existing contract.

What are the key risks and how are they being managed?

12 The key risks are as follows:

- a) Automation will enable the workloads in both the Revenues and Contact Centre services to move towards more manageable levels. The risk of not automating will further impact on the wait times for residents to receive responses and call wait times. The current levels of demand will also continue to impact on the health and wellbeing of staff if there is no ability to manage the simpler transactions through automation.
- b) The automation project will support the ability to improve collections of council tax and business rates by reducing the response times in which in-year changes are made and billed, improve the time in which direct debits can be processed and set up thereby enabling residents not to fall behind with payments. A key risk is should the automation development not be undertaken there is a likelihood that collection rates could be impacted.
- c) To identify and reduce privacy risks a data protection information assessment is being undertaken jointly by the Revenues Service and Information Governance as part of the procurement exercise to help the council comply with the requirements of data protection legislation and to identify and reduce privacy risk.

What are the legal implications?

13 This is a Significant Operational Decision which is a consequence of the previous Key Decision obtained on the 10th June 2022 when authority to procure was obtained and is therefore not subject to call in. This report does not contain any exempt or confidential information under the Access to Information Rules.

14 Use of the CCS G-Cloud 12_framework agreement has been checked and approved by Procurement and Commercial Services in accordance with CPR 3.1.5 and the framework permits a direct award without the need for any further competition in these circumstances.

15 Provisions exist under the Public Contracts Regulations 2015 (PCR) to permit a modification to an existing contract without a new procurement provided that the Director of Resources is satisfied that there are compelling reasons to do so as outlined in this report. Regulation 72(1)(b) states that a contract can be modified when all of the following conditions are met –

i. “72(1) Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part in any of the following cases:—

(a) (b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor

—

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement; or

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,

ii. provided that any increase in price does not exceed 50% of the value of the original contract”.

iii. It is considered that all the above conditions are met for the reasons set out at paragraph 11 above. The value of the proposed variation is £140,203, which equates to approx. 29% of the original contract value of £480,000.00. Taking these figures into account, the modification of the contract by the addition of 12 months does not exceed 50% of the initial contract value.

iv. However, if Regulation 72(1)(b) is used incorrectly, and it is subsequently determined that the above conditions are not met, the council will be open to legal challenge that it has breached the procurement rules. Further, an aggrieved contractor could potentially argue

that it has missed out on a competitive opportunity and thereby seek damages for that loss of opportunity. These risks are considered low for the reasons stated in this report.

- 16 When contracts are varied on reliance on Regulation 72(1)(b), it is a requirement to submit a modification notice to Find a Tender (FTS) to alert the market that a modification to the contract has taken place (or is to take place). Once the notice is published on FTS it will start time running for bringing a claim for a breach of the PCR, which must be brought within 30 days of the date that an aggrieved party knew, or ought to have known, that a breach had occurred. The service will ensure a modification notice to that effect will be published.
- 17 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 18 Although there is no overriding legal obstacle preventing the course of action set out in this report, the above comments should be noted. In making their final decision, the Director of Resources should be aware of the risk of challenge to the Council and be satisfied that on balance the course of action chosen represents Best Value.

Options, timescales and measuring success

What other options were considered?

- 19 The business case considered further automation via our current legacy system, automation and integration with a specialised portal system designed exclusively for end-to-end automation of council tax and business rates transactions and finally to do nothing.

How will success be measured?

- 20 There are a number of key performance indicators which measure the current levels of online take up of council tax and business rates transactions, however most of the requests require manual completion within the revenues and contact centre services to update residents' records. The planned procurement will enable the online requests by residents to be checked and verified via the automated services and if the checks /verifications are met will automatically update residents' records to enable the request to be completed. This will primarily cover areas such as direct debit set up or change, change of address requests and single person discount applications. Daily reporting from the online service will monitor success of automation and provide feedback as to improvements which would increase automation. All of these measures will be used to track the success of the development and the impact of the changes that the development will deliver for residents and the support provided by the Revenues and Contact centre services.

What is the timetable and who will be responsible for implementation?

- 21 The aim is to award the contract early July 2022 with implementation commencing mid July 2022 until the end of October 2022.

Appendices

- 22 None

Background papers

23. None