

<b>Report to</b>	Cabinet
<b>Date of meeting</b>	January 18 <sup>th</sup> 2022
<b>Lead Member / Officer</b>	Julian Thompson Hill / Steve Gadd / Paul Barnes
<b>Report author</b>	Debbie Basham / Paul Barnes
<b>Title</b>	<b>Evaluation of the options for a new service delivery model of the Revenues and Benefits Service</b>

## **1. What is the report about?**

1.1. This report outlines five possible options for consideration in the proposed changes to the delivery of the council's revenues and benefits services.

## **2. What is the reason for making this report?**

2.1. In December 2014 it was agreed at full council to award Civica PLC the contract to deliver its revenues and benefits services through a "partnership" style agreement. This partnership worked extremely effectively, meeting both its projected savings and retaining high customer / operational service standards. As a result of its success it was decided in 2019 to further extend the contact with Civica by two years to March 2025.

2.2. Recently we have been informed that for internal commercial reasons Civica wish to refocus their strategic direction and end all partnership arrangements with Local Authorities, including DCC, at the earliest opportunity.

2.3. As requested at the cabinet briefing on 1<sup>st</sup> November 2021 an options appraisal has been carried out and recommendations have been made in this report. For full options evaluation see (appendix 1)

### **3. What are the Recommendations?**

3.1. That Cabinet review and consider the options outlined and evaluated in this paper in relation to a new services delivery model for the revenues and benefits services.

3.2. To endorse the recommendations made by the project team allowing DCC officers, to have the authorisation to start negotiations and engagement with Civica and other parties, in order to progress the recommendation of bringing the revenues and benefits service back into DCC in an effective transformation with no adverse impact on service delivery and in an acceptable timeframe.

### **4. Report details**

4.1. After agreement by Cabinet to commission an options report, five options have been considered in terms of delivery cost and quality of service. The options are as follows: -

#### **Option 1: Do Nothing – Continue as is**

Do nothing – Continue with the contract as is until March 2025. Civica would continue as agreed in the contract extension delivering the revenues and benefits provision in line with the contract governance and delivering to the contractual KPIs.

#### **Option 2: Outsource to another private sector provider**

Go out to market, invite tenders from other BPO providers to continue the service. Soft marketing testing in this sector has revealed preliminary findings to show other large BPS providers are (as in the case of Civica) also uninterested in growing their BPS portfolio. Models available to work in partnership are less available in favour of an “on demand” style service which has been developed using short term intervention to alleviate back logs with additional contracted staff working the caseload.

#### **Option 3: Contract with another local authority – North Wales or wider Civica partnerships**

Work with a local authority currently partnered with Civica – (Hull, East Kent South Worcester or Gloucester). All other partnerships have made the decision to take the service back in house. English politics and location would be a potential barrier to seamless delivery as legislation / policies particularly in council tax and business rates

could make any collaboration problematic. Alternatively work with another North Wales local authority. Many North Wales authorities could potentially be an option, collaboration has been productive in council services (although not yet in Revenues and Benefits)

#### **Option 4: Set up the service as an ADM (Alternative Delivery Model) independent company structure**

After much investigation it was felt an Alternative Delivery model was not a viable option for Revenues and Benefits, this service is currently working to an Agile working model with Russell House in Rhyl offering a base. The service currently has less than 70 FTE. Having looked at the advantages of an ADM these are predominantly around having several locations delivering services enabling savings on NNDR. The set up costs for the current Leisure ADM were circa £350k.

#### **Option 5: Transition Revenues and Benefits service back to Denbighshire County Council**

Transition service back to the local authority, existing staff would TUPE back to the authority and be managed in line with DCC policies, the service still access DCC systems and uses DCC hardware to deliver the current service, minimum disruption and potentially significant cost savings are envisaged with this option

### **4.2. Options Recommendations**

Having considered all options our recommendation is **Option 5: Transition revenues and benefits service back to local authority (DCC).**

The recommendation is best on quality and delivery of service and a reduction in delivery costs.

Also with anticipated increased / continued collaboration with other DCC departments delivering further innovation and cost savings.

**The estimated cost savings are £341,110.**

## **5. How does the decision contribute to the Corporate Priorities?**

5.1. As part of the project planning process, links to the corporate priorities will be identified and highlighted in more detail, currently the strongest link is around

'connected communities' and how this service supports and helps local residents.

## **6. What will it cost and how will it affect other services?**

- 6.1. If the services were to be brought back within the council's structure (option 5) it has been estimated that £341,000 saving to the authority may be possible. However, a considerable amount of work is required in order to commit to any savings and the process may also involve some additional one-off costs these costs have been calculated in the options table (Appendix 1)
- 6.2. The delivery of this project would have a requirement for support and resource from across the authority, finance would lead the project with support from a corporate "project support officer", services such as legal, HR, ICT and others to be defined within the project scope. A project board will further define the project and planning process

## **7. What are the main conclusions of the Well-being Impact Assessment?**

- 7.1. This has not yet been completed and will be carried out as part of the project process.

## **8. What consultations have been carried out with Scrutiny and others?**

- 8.1. No formal consultation has taken place at this stage as Civica did not make a public announcement until Monday 18<sup>th</sup> October and staff were not aware until this point.
- 8.2. Lead member, Leader and Senior DCC officers are aware at this stage.
- 8.3. A paper was presented to cabinet on 1<sup>st</sup> November communicating the proposed changes and recommendations for a further options paper to be presented.

## **9. Chief Finance Officer Statement**

- 9.1 Initially the news that Civica wished to pull out of the sector was disappointing. The partnership has been working extremely effectively. The service has provided the Council with an excellent service throughout the Covid pandemic

in particular. However following initial work this can now be seen as an opportunity of making significant savings, which will be brought forward as part of the budget Proposals for 23/24, without impacting service provision. The recommendations are fully supported.

## **10. What risks are there and is there anything we can do to reduce them?**

10.1. There are a number of significant risks around this project, from ensuring we select the correct partner organisation to work with, or bringing the services back in house. Due to the importance of the service to the authority in relation to income collected through Sundry Debt, Business Rates and Council Tax, to the delivery of benefits to our residents, it is key that risks are managed well.

10.2. The project team will identify the risks and work through the corporate project standards to ensure all risks are identified and mitigated through the standard risk management plans, these will be shared with senior officers and elected members as relevant.

10.3. The Project Board and Senior managers may need to engage specialist external support to limit risk. Depending upon services engaged this may not be done within existing reserves.

## **11. Power to make the decision**

11.1 111 Local Government Act 1972