

**OPTIONS TABLE (APPENDIX 1)**

	Option 1	Option 2	Option 3	Option 4	Option 5
Description	Do nothing - continue as is	Outsource to another private sector provider	Contract with another local authority - North Wales or Wider Civica	Set up the service as an ADM (Alternative Delivery Model) independent company structure	Transition service back to the local authority Denbighshire County Council
Option Outline	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	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	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)	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 70FTE. Having looked at the advantages of an ADM these are predominantly around having several locations delivering services enabling savings on NNDR.(Business rates) The set up costs for the current Leisure ADM were circa £350k	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
Benefits	<ul style="list-style-type: none"> <li>• Civica are a known provider</li> <li>• The service would continue with the same contracted KPIs (Key Performance Indicators)</li> <li>• No staff changes in terms of TUPE implications</li> </ul>	<ul style="list-style-type: none"> <li>• Service would be managed by a BPO with relevant experience</li> <li>• Staff would TUPE over to the provider</li> </ul>	<ul style="list-style-type: none"> <li>• Share best practice</li> <li>• Opportunities for economies of scale</li> </ul>		<ul style="list-style-type: none"> <li>• Service will be directly managed by DCC with existing staff</li> <li>• Seamless transition</li> <li>• Continue with modern apprentice programme offering sustainable employment for future DCC citizens</li> <li>• Potential to work in calibration with other DCC departments e.g. Homeless, Free School meals</li> <li>• Retaining Revenues and Benefits expertise</li> </ul>

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Disadvantages	<ul style="list-style-type: none"> <li>• Civica are refocusing priorities.</li> <li>• DCC would be the only local authority BPS still operating within Civic</li> <li>• Loss of broader expertise – Other BPS contracts are all due to novate back in house from 2022</li> <li>• No clear plan for further process redesign or potential future savings</li> <li>• Continued contract costs- no reduction for loss of expertise and learnings from other authorities delivering the same services</li> </ul>	<ul style="list-style-type: none"> <li>• No potential for cost savings / may be increased costs</li> <li>• Extended time line due to the tender process- Civica would need to deliver the current service for the interim</li> <li>• No appetite in the market for outsource local government services</li> <li>• Research suggests other BPO providers work to an “on demand model” not partnership working</li> <li>• Limited opportunity for process redesign</li> </ul>	<ul style="list-style-type: none"> <li>• Differences in performance – DCC have more stringent KPIs</li> <li>• Difference in delivery model</li> <li>• Current backlogs for many authorities as a result of Covid</li> </ul>		<ul style="list-style-type: none"> <li>• No economies of scale advantages</li> <li>• Loss of wider Civica knowledge</li> </ul>
Risks / Dependencies	<ul style="list-style-type: none"> <li>• Potential service disruption - no advantage of economies of scale</li> <li>• No new innovations or appetite for change / streamlining services</li> <li>• No appetite from Civica to undertake projects outside the main contract framework EG Free School meals – Covid payments</li> <li>• Reputational risk – Failure to hit contractual KPIs</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery and quality of service</li> <li>• Reputational risk</li> <li>• Loss of “Partnership model”</li> <li>• Increased costs</li> <li>• Impact on Welsh language – No private outsource business are currently working in partnership with a Welsh authority as a Revenues and Benefits provider</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery and quality of service</li> <li>• Reputational risk</li> <li>• Loss of management control</li> <li>• Welsh Government policies are growing more defined for Wales with ever changing legislation – this may not sit well with an English authority</li> <li>• Loss of a Welsh language provision</li> </ul>		<ul style="list-style-type: none"> <li>• Dip in performance due to change in management practice (Civica / DCC)</li> <li>• Staff morale</li> <li>• Novation of Contracts / suppliers are not in place for transition dates</li> </ul>

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Time Lines	Continue as is, the contract ends in March 2025 by which time Denbighshire County Council will need to consider alternative provision including all options detailed in this document. If a new supplier were to be considered the tender process would need to commence approximately early 2024	If this option were to be considered further detailed analysis of the market and a potential tender process would be required It is estimated this process would be completed by the end of 2022 / early 2023 with the anticipated start date of late spring 2023	Further work will be needed to ascertain current appetite for collaborative working with North Wales authorities,		It is anticipated the timeline for the overall delivery of the project would be late 2022
Costs	Contract price p.a. <b>£1,973,848</b> NI Recharges <b>£16,222</b> Pension recharges <b>£82,048</b> Total Cost p.a. <b>£2,072,718</b>	For estimated costs the current contract price has been used for illustration only. It would also seem reasonable to factor in – inflation, set up costs and delivery costs Total Cost p.a. <b>£2,072,718</b>	If this option were selected more work would need to be undertaken to cost various options		The majority of cost would comprise of staffing costs – a job revaluation would be required to understand where staff sit on DCC grades, worst case scenario figures assume grade realignment and that all staff would TUPE back Staff Costs total - <b>£1,728,393</b> p.a. Delivery of Project <b>£100,000</b> (one off cost) Contingency –Novation of supplier contracts, additional salary increases (in line with DCC) Redundancy provision <b>£100,000</b> Total <b>£1,923,393 Yr. 1</b>
Recommendations	NOT RECOMMENDED	NOT RECOMMENDED	NOT RECOMMENDED	NOT RECOMMENDED	RECOMMENDED