

CABINET

DATE	30 th September 2020
REPORT OF	Councillor Stan Shreeve, Portfolio Holder for Finance and Resources
RESPONSIBLE OFFICER	Sharon Wroot, Director of Resources and Governance
SUBJECT	Procurement of Local Taxation and Benefits Printing and Postage Service
STATUS	Open
FORWARD PLAN REF NO.	CB 09/20/03

CONTRIBUTION TO OUR AIMS

The Local Taxation and Benefits Service is required to issue bills and other correspondence in a timely, accurate and cost-efficient manner to ensure the Council's dual aims of stronger economies and communities are met. This requires the use of a specialist supplier.

The current contract is due to finish on 31st March 2021 and so must be re-procured. To further contribute towards a stronger economy, this is done in conjunction with North Lincolnshire Council to obtain greater discounts based on combined volumes and to ensure it is managed within the shared service operated by both Councils.

EXECUTIVE SUMMARY

The Council currently access a North Lincolnshire Council Framework for its Local Taxation and Benefits printing and postage requirements. However, this framework is due to finish at the end of the year there are no more extensions available. In order for the Council to remain compliant with the Public Contract Regulations 2015 and ensure continuity of service, a replacement needs to be procured.

The replacement arrangements will comply with the Public Contract Regulations 2015, the Council's Contract Procedure Rules, and ensure that the Council achieves its duty of Best Value.

As the Council is part of a Local Taxation and Benefits Shared Service arrangement with North Lincolnshire Council, the intention is that this will be a joint procurement with North Lincolnshire Council.

The Council's estimated whole life, five year spend of the replacement arrangement is £365,000, although this will fluctuate depending on usage.

RECOMMENDATIONS

It is recommended that the Cabinet:

1. Approves the commencement of a procurement exercise for the Local Taxation and Benefits Printing and Postage Service.
2. Delegates responsibility to the Director of Resources and Governance in consultation with the Portfolio Holder for Finance and Resources to deal with all matters leading to and including the award of the contract for the Local Taxation and Benefits Printing and Postage Service.
3. Authorises the Chief Legal and Monitoring Officer to complete and execute all legal documentation in connection with the award.

REASONS FOR DECISION

The decision allows the Council to commence a procurement exercise for the Local Taxation and Benefits Printing and Postage Service and allows the Council to award the contract.

1. BACKGROUND AND ISSUES

- 1.1 The Council's Local Taxation and Benefits Service currently access a North Lincolnshire Council framework for its printing and postage requirements. However, this framework is due to finish at the end of the year and there are no more extensions available. In order for the Council to remain compliant with the Public Contract Regulations 2015 and ensure continuity of service, a replacement needs to be procured.
- 1.2 The current contract handles thirteen different types of letter/document. These documents relate to Council Tax, Business Rates and Housing Benefits and range from bills, reminders and summonses to overpayment invoices and notification letters.
- 1.3 In excess of 305,000 documents are sent out annually to residents, landlords, agents and other associated parties with print/post production runs carried out daily.
- 1.4 In order to ensure customers, receive a "joined up" service, where possible when they have multiple document types being generated on the same day, merging of documents is undertaken so they only get a single envelope of relevant documentation. This has the additional benefit of incurring a single postal amount and reduced print charge by ensuring just a single envelope is used.
- 1.5 Paper costs are minimised through the use of a "white paper" solution meaning no templates are used, each document can be tailored in size for the customer to avoid repetition.
- 1.6 Cost of printing and postage is kept as low as possible due to the use of volume across not only both councils, but achieved by external specialist

print providers that they are able to obtain based on the throughput for their business from all their combined customers.

- 1.7 A formal Invitation to Tender and award criteria will be developed, and the procurement will be undertaken in line with the requirements of the Public Contract Regulations 2015, and the Council's Contract Procedure Rules, and ensure that the replacement contract represents value for money for the Council.
- 1.8 A project team has been established in readiness to undertake the procurement which consists of officers from Local Taxation and Benefits Shared Service and The Procurement People. Advice will be sought from Legal Services in relation to development of the terms and conditions and formation of the contract.

2. RISKS AND OPPORTUNITIES

- 2.1 The replacement arrangement(s) will look to address the following risks:
 - a) There is a need for multiple pieces of mail to the same address to be merged into one envelop to reduce spend and improve customer experience
 - b) The ability to handle very large volumes of documents that are time sensitive and must reach customers within short legal deadlines.
- 2.2 The replacement arrangement(s) will look to take advantage of the following opportunities:
 - a) Continued efficiency in the printing and postage process.
 - b) Maximise value for money by working with an external supplier to take advantage of bulk discount rates available in the commercial marketplace.
 - c) Advances in technology offered by major specialist print companies

3. OTHER OPTIONS CONSIDERED

- 3.1 **Do Nothing.** This option would leave the Council with no contract in place, and non-compliant with the requirements of the Public Contract Regulations 2015.
- 3.2 **Utilise the Council's Print Section.** This option would require a significant capital investment to get the equipment necessary to meet the printing requirements. It would also require additional specialist programming skills not currently available within the Council.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1 There are not considered to be any reputational risks associated with the procurement or award of a replacement contract. Citizens should not see a change in either the quality or quantity of documentation.

5. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 5.1 The replacement arrangement(s) will look to minimise the impact of the printing and postage on the environment.

6. FINANCIAL CONSIDERATIONS

- 6.1 In line with the Council's financial strategy by going out to the commercial marketplace we should obtain the best value for money for the council whilst delivering an efficient delivery of service to our residents and taking advantage of improved technology in the marketplace.
- 6.2 The contract will be funded through existing revenue budgets and is expected to deliver value for money through economies of scale. There will be no requirement for Council reserves or capital funding as a result of the award.

7. CONSULTATION WITH SCRUTINY

- 7.1 No Scrutiny consultation is proposed on this matter.

8. FINANCIAL IMPLICATIONS

- 8.1 The procurement exercise will ensure value for money is obtained from the printing and postage service. Once tenders are received a comparison can be made to assess the impact against existing budgets for this service.

9. LEGAL IMPLICATIONS

- 9.1 The procurement of a Local Taxation and Benefits Printing and Postage Service is supportive of the Council's core business and consistent with the stated aims and objectives of the Council underpinning its strategic objectives of Stronger Economy, Stronger Communities.
- 9.2 The procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 and supported by relevant officers.
- 9.3 The procurement exercise will be conducted jointly with North Lincolnshire Council thereby achieving savings, efficiencies and value for money.
- 9.4 The delegations sought are consistent with an exercise of this nature.

10. HUMAN RESOURCES IMPLICATIONS

- 10.1 There are no direct HR implications

11. WARD IMPLICATIONS

- 11.1 This will have an impact on all wards.

12. BACKGROUND PAPERS

12.1 There are no background papers.

13. CONTACT OFFICER(S)

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