
REPORT TO THE MEETING OF THE EXECUTIVE 11 JANUARY 2012**PORTFOLIO: COUNCIL TAX COLLECTION, BENEFITS AND STRATEGIC HOUSING FUNCTIONS****REPORT FROM HEAD OF COMMUNITY SERVICES****SUBJECT: REVENUES AND BENEFITS CAPITA TELEPHONE CALLS CONTRACT UPDATE****1 DECISION BEING RECOMMENDED**

- 1.1 That, following the receipt of revised contract costs, Capita LGS be awarded a further 12-month contract from 1 April 2012 for taking the Council's revenues and benefits telephone calls.

2 REASONS FOR RECOMMENDATION

- 2.1 As per the report to Executive on 9 November 2011, the current 3-year contract with Capita for taking the revenues and benefits calls is due to end on 31 March 2012. Following the receipt of quotations from Capita and further discussion and negotiation, it was reported to the Executive that the cost to renew the contract would be £78,000 per annum – an increase of approximately 34% on the current cost of £58,800.
- 2.2 On this basis, the Executive agreed the report's proposal to bring back in-house the telephone calls as from 1 April 2012. Utilising the available budget from a combination of the current contract fee and a vacant revenues and benefits post, there would be a saving on these current budgets of £7,129.
- 2.3 Following this decision, officers notified Capita that the Council would not be renewing the contract as of 1 April 2012. Since receiving this notification, Capita have now come back with a revised offer on the instruction of their managing director.
- 2.4 Their revised offer came in at £64,000 per annum (a further reduction of £14,000) which following further negotiation has now been further reduced to £60,000 + RPI (capped at 3.5%) which would mean a maximum of £62,100.
- 2.5 On this basis and taking into consideration the operational demands of the section, it is proposed to now take up the option of a further one-year contract with Capita and then to look to review the potential of bringing the calls back in-house from April 2013.

The benefits of this new proposal would be as follows:-

- The revised cost of a maximum of £62,100 provides approximately a further £16,000 saving for 2012/13 which will make a significant contribution to meeting the outstanding budgetary gap.

- Give the Revenues and Benefits section a further 12-months to fully integrate new procedures prior to consideration being given to bringing the calls back in-house.
- Gain a further 12-months' intelligence around telephone call patterns and volumes which will inform decisions around the level of in-house resource that may be required.

2.6 It should be noted that, from discussions with Capita's representatives, this revised price of £60,000 + RPI would increase from 2013/14 onwards.

3 ALTERNATIVE OPTIONS CONSIDERED

3.1 An original decision was made by the Executive on 9 November 2011 to bring the Revenues and Benefits telephone calls back in-house based on a contract price from Capita of £78,000 per annum. However, now that there is a revised maximum price of £62,100 per annum, the proposal is to consider a further one-year contract.

4 RESOURCE IMPLICATIONS

4.1 The cost of a new one-year contract for taking the Revenues and Benefits telephone calls would now be £60,000 + RPI capped at 3.5% instead of the £78,000 fee that had been quoted when taking the original report to Executive on 9 November 2011. As previously mentioned, utilising the current Capita contract budget and the vacant revenues and benefits post salary, this now represents a saving for 2012/13 of approx £23,000.

5 EQUALITY AND DIVERSITY IMPLICATIONS

5.1 It is important that the Revenues and Benefits telephone call services is provided in a manner that ensures that all sections of the community have an easy and equal access to the service.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

SMT Lead Officer Signature: _____

Head of Community Services

Background Papers:-

None.

For further information please contact Jeremy Bourne (Head of Community Services) and Nick Scott (Revenues & Benefits Manager) on:-

Phone: 01702 318163

01702 318006

Email: jeremy.bourne@rochford.gov.uk

nick.scott@rochford.gov.uk

If you would like this report in large print, Braille or another language please contact 01702 318111.