

## **Cabinet**

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**Date of Meeting:** 14 January 2020

**Report Title:** Revenues & Benefits Printing & Postal Service

**Portfolio Holder:** Cllr Amanda Stott – Finance, IT and Communication

**Senior Officer:** Alex Thompson – Director of Finance and Customer Services

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### **1. Report Summary**

- 1.1. This report seeks initial approval and further delegation to the Revenues Manager to procure and award a contract for a Printing and Postal service which will support the Revenues and Benefits billing functions. The service will provide the facility for all Council Tax and Business Rates bills, reminders and other documentation plus all Benefits notifications to be printed and posted off-site.

### **2. Recommendations**

That Cabinet agrees:

- 2.1. That a suitable competitive OJEU procurement exercise is undertaken for the provision of Printing, Graphics and Postal Distribution Services for Cheshire East Council Revenues & Benefits Billing Departments.
- 2.2. To delegate to the Revenues Manager authority to procure and award a contract for Print and Post services following an appropriate and compliant procurement process.

### **3. Reason for Recommendations**

- 3.1. Revenues and Benefits services have used off-site Print and Post services for almost 10 years to provide a streamlined, efficient and cost effective method of issuing in excess of 450,000 documents each year.
- 3.2. The off-site service also offers a hybrid mail service which facilitates off-site Print and Post for day to day desk top printing and provides an effective remote print solution to the increasing number of our home workers. This is

expected to be an enhancement on the current service and will include the option to extend the service across other teams within the organisation.

- 3.3. The total value of the contract is anticipated to be approximately £1.4m over a 7 year term which is included in the Council's budget. It is anticipated that the annual spend will decrease over time as we continue the move towards digital transactions within the service.
- 3.4. A 7 year term (with appropriate early termination provisions) is the preferred period in order to establish a longer term relationship with a supplier(s) who can partner with the Council to drive forward innovation and efficiency and reduce future cost. Previous 4 year terms have restricted longer term innovation and improvement of service due to project timescales.
- 3.5. This contract will be split into two 'Lots' or service provisions as follows:

LOT 1: the main contract, will deliver the production of the various Daily and Annual Billing documents required covering Council Tax, Business Rates and Benefits.

LOT 2: will cover a Hybrid print and post service for the Revenues and Benefits departments.
- 3.6. An off-site Print and Post service delivers savings against print, paper and postage in addition to providing the capacity to deliver the volumes required of an organisation of Cheshire East's size.
- 3.7. Utilising off-site Print and Post services brings added benefits of comprehensive Disaster Recovery arrangements that Cheshire East cannot facilitate.
- 3.8. Procuring the services in 2 lots removes the possible constraint of being required to take up the hybrid service from the bulk mailing supplier where that hybrid service is higher cost or lower quality.

#### **4. Other Options Considered**

- 4.1. The high volume of documentation issued by the Revenues & Benefits services means that the service cannot be delivered in-house due to technical and capacity limitations. In common with many other large Local Authorities, the service is delivered off-site by specialist Print and Post companies who are able to provide large scale, resilient and secure operations.

## **5. Background**

- 5.1. Cheshire East Borough Council is the third largest unitary authority in the North West after Manchester and Liverpool. The Council has over 178,000 domestic and 14,500 non-domestic properties.
- 5.2. The Council is responsible for collecting over £265 million in Council Tax and over £145 million in Non-Domestic Rates (Business Rates) each year. The Council also deals with over 20,000 cases for Housing Benefit and Council Tax support and pays out approximately £60 million in Housing Benefit.
- 5.3. Initiatives to digitise the service of Council Tax, Business Rates and Benefits documentation to residents have been ongoing for several years but there is still a requirement for over 450,000 documents to be printed and posted to residents each year.
- 5.4. It is not anticipated that there will be any additional IT requirements compared to the current service.

## **6. Implications of the Recommendations**

### **6.1. Legal Implications**

- 6.1.1. The value of the proposed contract is above the applicable EU threshold so the procurement and award of the contract is therefore subject to the Public Contracts Regulations 2015 ("PCRs"). The PCRs require the Council to treat all economic operators equally and without discrimination. In addition, the Council must act in a transparent and proportionate manner.

### **6.2. Finance Implications**

- 6.2.1. The cost of the contract can be met from within the annual budget available.
- 6.2.2. An option to extend the hybrid service across the organisation may raise the overall value of the contract, but lower the unit cost and bring an expectation of savings overall for the council.
- 6.2.3. As print and post services are increasingly digitalised, the use of printed documents sent in the post should decrease, lowering the contract value.

### **6.3. Policy Implications**

- 6.3.1. The approach supports outcome 6 of the Council's Corporate Plan - A responsible, effective and efficient organisation.

#### **6.4. Equality Implications**

6.4.1. There are no implications for Equality.

#### **6.5. Human Resources Implications**

6.5.1. There are no direct implications for Human Resources.

#### **6.6. Risk Management Implications**

6.6.1. An off-site supplier will provide a resilient service including disaster recovery facilities.

#### **6.7. Rural Communities Implications**

6.7.1. There are no direct implications for rural communities.

#### **6.8. Implications for Children & Young People/Cared for Children**

6.8.1. There are no direct implications for children and young people.

#### **6.9. Public Health Implications**

6.9.1. There are no direct implications for public health.

#### **6.10. Climate Change Implications**

6.10.1. The Council has committed to becoming Carbon neutral by 2025 and to encourage all businesses, residents and organisations in Cheshire East to reduce their carbon footprint.

6.10.2. We are looking to work with a supplier who will ensure minimal waste and reduce their company's and Cheshire East's environmental impact.

### **7. Ward Members Affected**

7.1. The implications are borough wide.

### **8. Access to Information**

8.1. n/a

### **9. Contact Information**

9.1. Any questions relating to this report should be directed to the following officer:

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