

 the low tax borough	London Borough of Hammersmith & Fulham CABINET 3 MARCH 2014
ENHANCED REVENUE COLLECTION PROGRAMME	
Report of the Leader – Councillor Nicholas Botterill	
Open report A separate report on the exempt Cabinet agenda provides information which is confidential to the Council and/or the service provider.	
Classification: For Decision Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Jane West, Executive Director of Finance & Corporate Governance	
Report Author: Jamie Mullins, Head of Recovery, H & F Direct	Contact Details: Tel: 020 – 8753-1650 E-mail: Jamie.Mullins@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. In January 2012, the Council awarded a contract to Agilisys Ltd to provide a range of expertise and capability to support and transform the way the Council's revenue collection services are delivered. The contract commenced in April 2012 for a period of 5 years.
- 1.2. The scope of the contract encompassed 12 debt areas but Council Tax, National Non Domestic Rate & Council Rents were excluded from the original contract due to impending bi/tri borough service reviews and restructures. The areas in scope at the time of the original contract were– Parking, Housing Benefit Overpayments, Service Charges, Major Works, Commercial Rents, Commercial Waste, Former Tenant Rent Arrears, Equity Share, Sundry Debtors, Street Markets, Residential Care Charges & Homecare Charges,

- 1.3. The contract rewarded Agilisys for improved collection above agreed baselines (gain share) through the submission of individual business cases.
- 1.4. Agilisys have proposed some business cases in the 3 out of scope areas, Council Tax, National Non Domestic Rate & Council Rents, which the Council would like to explore. However, as they are currently out of scope, this is not possible.
- 1.5. The Council is therefore seeking to widen the contract scope to include these areas. However, due to the potential amount of debts involved and consequently the gain share paid to Agilisys Ltd being over £100k, a Cabinet decision is required to achieve this.

2. RECOMMENDATION

- 2.1. That authority be given to vary the contract between Agilisys Ltd and the Council in relation to Enhanced Revenue Collection by way of a Deed of Variation from the earliest possible date to include services in relation to Council Tax, NNDR and Council Rent and to enter into any associated contract documentation to implement the variation.

3. REASONS FOR DECISION

- 3.1. The Council and Agilisys would like to explore the possibility around these three out of scope areas with a view to increasing revenue collection. The income to the Council is currently estimated at an initial £300k on the business cases proposed with the potential for further business cases in the future. If this variation is agreed, the council would be able to proceed without delay with raising revenue in these areas. There is no financial risk to the Council as Agilisys will only receive payment when they have increased collection and on a gain share basis on agreed baselines.
- 3.2. The Council would prefer to proceed with this notice of variation rather than re-tender the contract as this would delay the potential recovery of this income and this is seen as an extension of an already profitable partnership in this area. Current procurement period for this type of contract is estimated at a minimum of 8 months.

4. INTRODUCTION AND BACKGROUND

- 4.1. As explained in the Executive Summary, the Council awarded a contract to Agilisys Ltd in Jan 2012 to support and transform the way the Council's revenue collection services are delivered. The contract was for a maximum of 5 years and commenced in April 2012.
- 4.2. The partnership has been very successful with extra income of £1.6m being secured during the initial 18 months of the contract. This variation notice is being recommended as a means of expanding the scope of this

contract so as to enable the best practice in revenue collection which has been successful in other areas to be employed in the Council Tax, National Non Domestic Rate and Council Rents areas.

5. PROPOSAL AND ISSUES

- 5.1. The main issue is that the variation in the scope of the contract as proposed is potentially open to challenge as it was not included in the original contract scope. It may be that this amendment still generates a challenge from other suppliers.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. As the 3 areas in question were not included in the original scope of the Enhanced Revenue Collection Programme, the only other option available would be to return to the market place and invite tenders for a new partner to assist in revenue collection in these areas. However, it must be noted that the normal length of time it takes to procure in this area can be up to 8 months.

7. CONSULTATION

- 7.1. Not applicable.

8. EQUALITY IMPLICATIONS

- 8.1. An Equality Impact Assessment was completed alongside the original Cabinet key decision document in January 2012 (see list of background documents).

9. LEGAL IMPLICATIONS

- 9.1. It is noted that the Council is proposing to extend the scope of the current contract between the Council and Agilisys Limited for the provision of Business and Management Services Lot 2 - Enhanced Revenue Collection to include services in relation to NNDR and Council Tax. Further comments are provided in the exempt report.
- 9.2. Legal Services will be available to assist the client department with finalising the contract documentation.
- 9.3. Implications completed by: Kar-Yee Chan, Solicitor (Contracts), 020 8753 2772

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The extension of this contract will enable Agilisys to work with H & F Direct to identify business cases where Agilisys assist in the improvement of income collection and debt management. Further information is provided in the exempt report.
- 10.2. Financial implications completed by: (Gary Ironmonger (Finance Manager x2109)

11. RISK MANAGEMENT

- 11.1. Identification and control of procurement, contract risk, including award and variation are the responsibility of the Finance and Corporate Services Directorate. Further information is provided in the exempt report.
- 11.2. Implications completed/verified by: (Michael Sloniowski Bi-borough Risk Manager x2587)

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1. Whilst we agree with the proposals we would recommend that legal comments are given due consideration
- 12.2. Implications verified/completed by: (Mark Cottis, e-Procurement Consultant, 020 8753 2757)

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Cabinet Report- 9 January 2012 (open report published, plus exempt report)	Jamie.Mullins Tel: 020 – 8753-1650	Head of Recovery, H&F Direct
2.	Equality Impact Assessment – Jan 2012 (published)	Jamie.Mullins Tel: 020 – 8753-1650	Head of Recovery, H&F Direct