

**THREE RIVERS AND WATFORD SHARED SERVICES JOINT COMMITTEE**

**REVENUES AND BENEFITS SERVICE**

**SOFT MARKET TESTING**

**JUNE 2013**

## **E-MAIL TO POTENTIAL SUPPLIERS**

Dear

### **Three Rivers and Watford Shared Services Joint Committee – Soft Market Testing – Revenues and Benefits Service**

Thank you for agreeing to participate in a soft market testing exercise to consider the above services.

The attached brochure sets out what we are seeking to achieve and details of the current service provision. It includes a questionnaire and I should be grateful if you would complete and return it to me. We may then invite a number of those who respond to have one-to-one conversations with us and the responses will be used to facilitate any subsequent conversations.

Those meetings would not be formal interviews, nor an opportunity to secure business and would not be part of any formal procurement process. It is important however for us to understand and evaluate the responses to the exercise as the outcomes will be reported to the Joint Committee and contribute to an Outline Business Case.

Thank you in anticipation for your response. It would be helpful if you could send your response within two weeks of the date of this e-mail.

Regards,

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## **BROCHURE**

### **1. Introduction – Potential Service Scope**

The Three Rivers and Watford Shared Services Joint Committee (the “Committee”) is currently facing challenges in processing housing and council tax benefits and revenues correspondence which it is tackling through a mixture of in-house staff with private sector support. It is also conscious that with the introduction of localised support to council tax, welfare reforms and the introduction of universal credit that its revenues and benefits service is facing considerable change.

As a consequence the Committee has agreed that research into outsourcing (soft market testing) should be undertaken. It has also resolved to seek a contract with a suitable supplier that gets the service to the position where it can pass work over to the successful contractor on a flexible ‘top-up’ basis whilst workloads increase, and allowing for changes (i.e. reductions in workload) as universal credit is introduced.

The Committee is keen to be as innovative as possible to achieve its objectives. Whilst the subject of the testing is revenues and benefits, its immediate priority is to meet the challenges in the benefits service and so it would be interested to hear of solutions that might meet this limited service scope should that be attractive to the market.

The Committee will be very interested to explore the options and ideas with potential partners as part of this soft market testing and is therefore seeking views from the market on a range of relevant issues. This is to help ensure that any future procurement will be realistic and appropriate as well as an attractive, viable and sustainable proposition for potential partners.

### **2. What we are seeking to achieve? – Context for soft market testing**

The Shared Service aims to achieve resilience, cost savings and improved services to our residents which are measured as being in the top quartile nationally.

The Committee has confirmed that it wishes to see new benefits claims processed within 22 days, and changes in circumstance processed within 8 days. We wish to get benefit claims ‘right first time’ thus avoiding the need to go back to the claimant for further information time and again.

Revenues performance is measured by the collection rates achieved for council tax and national non-domestic rates.

Current performance levels can be obtained from our website:

### **3. About the Shared Service**

The two councils’ revenues and benefits teams were co-located in Watford in December 2009 since when the shared service has been operating.

The Revenues and Benefits Service Plan includes permanent staffing levels which have been supplemented by temporary staff and private sector support. This has been necessary due to increases in benefits caseload above the national average, and the delay in introducing IT systems designed to enable:-

- a) the councils' customer services centres to handle more enquiries,
- b) more mobile working, and,
- c) the use of intelligent e-forms for benefit claims and more self service

### ***External Influences on Future Service Provision***

#### *Move to Universal Credit*

Existing housing benefit claimants are to transfer to Universal Credit by the end of 2017. The existing timetable states this is to be phased:-

October 2013	National Launch of Universal Credit
	New Claims – HB Claimants Out of Work
April 2014	New Claims – HB Claimants Working
October 2014	New Claims – HB Claimants of Pensioner Credit age

The issues we believe we are facing are:-

- TUPE / Redundancy
- Recruitment / Retention of Benefits Staff
- Maintaining / Improving Performance
- Recovery of Housing Benefit Overpayments
- Increase in demand for housing services – housing advice / homelessness
- The added pressure backlogs might create in October 2013
- Potential requirement for face-to-face contact with claimants

#### *Localisation of Support to Council Tax*

The two councils introduced different local schemes in support to council tax with effect from 1 April 2013. The shared service believes that, In the longer term, it will need to address its management needs if the revenues and benefits service shrinks to a 'council tax collection and discounts section'.

## Assessing Market Interest in the Provision of Services

### ***Supplier Questionnaire***

This questionnaire is supplied for guidance. We would like to use it as a basis for facilitating a conversation with you on options for the delivery of the service. This will be fed back to the Joint Committee and form part of an Outline Business Case. This will consider the best options for delivering the high quality services our residents expect.

Note: Answers to these questions are not word-limited, please extend the template as required.

Company Name	
Company Address	
Contact Name	
Position	
Telephone Number	
E-mail address	

A. About your company	
A1	What are your company's main areas of business? What would you say were your key strengths. What are your plans to grow the business?
A2	What is your company's experience of providing revenues and benefits services?
A3	What is your company's track record in delivering resilience, improved services and savings in providing revenues and benefits services?
B. Service Scope	
B1	What are your views on the scope of the services that should be included or excluded from a contract? Are there any other service areas (beyond those indicated in the brochure) that, if aggregated, may make the proposals more attractive to the market?
B2	What are your views on how the changes brought about by government legislation, e.g. welfare reforms, universal credit and localising support to council tax, will impact on local authorities, and how do you think the private sector might assist local authorities to react?

B3	There is sometimes a perception that outsourced services may be less flexible than those provided in-house, what mechanisms can be put in place contractually and/or in terms of governance to ensure the services can be flexed to meet changing local demand?
C Procurement & Contract Arrangements	
C1	What are your views on the potential procurement procedures that would be attractive to the market (e.g. use of a framework agreement, full tender under EU procurement)? Which procedure is likely to provide the best outcomes for the Joint Committee and why?
C2	How would you like services such as these to be specified, to what level of detail and by reference to which standards?
C3	Please could you give us examples of contractual arrangements for these services which have, in your experience, worked well and those which have not. We are very interested in both, and particularly we wish to ensure that we avoid any pitfalls from arrangements that have not worked well. What is your preferred contract length?
C4	What are your views on our working jointly with other local authorities and enabling them to be party to this type of contract? Do you have any views on the form this could take to maximise both attractiveness to the market and achieve greater resilience, improve the service and make savings for the Joint Committee?

C5	What type of contract incentives would you like to see applied to enhance performance? Would you propose or consider sharing any savings with us?
D Delivering the Services	
D1	What different methods of service delivery are there (e.g. location, use of technologies etc)? Which would you recommend and why? What are the key cost and other drivers for each model? What is your view on your and/or the market's ability to make investment in these services early on in the contract to achieve greater resilience, improve the service and make savings? How have these contributed to performance improvements?
D2	What comments do you have on potential supply chain arrangements (e.g. sub-contractors)? Do you believe there may be opportunities to positively impact on the local social and economic environment?
D3	How could the transition from the existing to any new arrangements be managed without disruption to service delivery? What are your views on risk transfer and how this can be best achieved?
D4	How would you ensure continuous improvement is achieved throughout a potential contract?



D5	Given the ICT systems currently used by the shared service, what are your views on any enhancements or improvements required to ICT in order to achieve greater resilience, improve the service and make savings?
D6	How might Innovation or other private sector benefits be introduced to these services?
D7	What are your views on the potential cost efficiencies that might be made? Are there income generation opportunities for revenues and benefits that might be pursued?
D8	What intangible and / or non-financial benefits do you believe would typically be achieved if the services were outsourced?
D9	How could the Council make a proposed contract as attractive as possible to the market?

The Joint Committee will use these responses to help decide:

- whether and how to procure revenues and benefits services externally
- the scope and range of services to include
- how we can maximise the attractiveness of a contract to the market
- whether we need to work with, or join up with, other councils to make a contract attractive.

Your informal responses to this soft market test are very helpful in the above process and we hope the questions have covered the majority of issues your organisation, as an acknowledged player in the market, believes are pertinent.

Thank you for participating.