



**Delegated Decision by Cabinet  
Member for Resources**  
19<sup>th</sup> October 2018

**Report from the Strategic Director  
of Resources**

**Recommendation to agree changes to the social value weightings  
applied for the Business Rates and Associated IT Support Service  
Procurement evaluation**

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Non-Key Decision
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>No. of Appendices:</b>	None
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Margaret Read, Operational Director Resources, E: <a href="mailto:margaret.read@brent.gov.uk">margaret.read@brent.gov.uk</a> T: 0208 937 1521

## 1.0 Purpose of the Report

- 1.1 On 13<sup>th</sup> November 2017, Cabinet approved pre-tender considerations concerning the retender of the Business Rates and associated IT Support service that included the evaluation weightings proposed for the procurement. These specified that the weighting for social value would be 5% split between 1% price and 4% quality. Officers wish to retain the 5% weighting for social value but to adjust the percentage split as between the price and quality elements of social value to 2.5% and 2.5% respectively.
- 1.2 This report therefore seeks approval under delegated powers from the Lead Member in consultation with the Leader for the revision to the weightings indicated in paragraph 1.1 above, the details of which were communicated to all bidders and evaluated accordingly.

## **2.0 Recommendation(s)**

**It is recommended that the Lead Member in consultation with the Leader:**

- 2.1 Approves the following weightings for the purposes of the procurement of the Business Rates and associated IT Support Service as follows:
- Pricing 50% comprised of 2.5% for the price element of social value and 47.5% price.
  - Quality 50% comprised of 2.5% for the quality element of social value and 47.5% for the other quality criteria.
- 2.2 Notes that the contract award recommendation incorporating the effect of the above is to be considered by Cabinet at its 12<sup>th</sup> November 2018 meeting.

## **3.0 Detail**

- 3.1 The existing Revenues and IT Support contract with Capita Business Services Limited began in 2011 and is scheduled to expire on 30<sup>th</sup> April 2019. The scope of the existing contract includes the collection of Council Tax from approximately 109,000 domestic properties, Business Rates from 9,000 businesses in the Borough and the provision of I.T. specific to the Revenues and Benefits service. The contract was for a 5 year period with provision for extension by a further 3 years for which the extension period has been fully utilised.
- 3.2 A decision was taken by Cabinet in November 2017 to bring the Council Tax service in house but to retender the Business Rates service. The proposed scope for the new contract which is scheduled to commence on 1<sup>st</sup> May 2019, includes the Business Rates service with associated IT Support, telephone call handling and printing and is to be let for a five year term with an option to extend for a further three year period.
- 3.3 On 13<sup>th</sup> November 2017, Cabinet approved pre-tender considerations concerning the retender of the Business Rates and associated IT Support service that included the evaluation weightings proposed for the procurement. These specified that the weighting for social value would be 5%, split between a 1% price element and a 4% quality element.
- 3.4 Officers wish to retain the 5% overall weighting for social value as agreed by Cabinet but to adjust the percentage split as between the price and quality elements of social value to more appropriately reflect the importance of the pricing element of social value to this procurement. Officers consider that a weighting of 2.5% for the price element of social value for price and 2.5% for quality whilst retaining the overall 5% social value weighting is appropriate to the Business Rates service procurement. Whilst this does not impact on the overall quality weighting of 50%, it does impact on the proportion applied to social value and the weighting applied to the financial evaluation for social value and price. This change is summarised below in Table 1 – “Approved and Proposed Weightings”:

Table 1 – Approved and Proposed Weightings

Approved Weighting				Proposed Weighting			
Price 50%		Quality 50%		Price 50%		Quality 50%	
Social Value Price element	Non-Social Value	Social Value Quality element	Non-Social Value Quality	Social Value Price element	Non-Social Value	Social Value Quality element	Non-Social Value
1%	49%	4%	46%	2.5%	47.5%	2.5%	47.5%

- 3.5 Given the view that 2.5% weighting for both price and quality elements of social value more accurately reflects the price element for social value, the Council has invited tenders for the provision of the Business Rates and associated I.T. Support Services in accordance with such weightings. Full details of the Quality weightings used for the Business Rates evaluation are detailed in Table 2 “Quality Evaluation Criteria and Weightings” below:

Table 2 – Quality Evaluation Criteria and Weightings

Quality		50%
b1	Staffing Arrangements (including location, recruitment and selection and training and development) and profile over the contract term	10%
b2	Core IT Systems and Applications, (including any relevant infrastructure, hardware, software, procedures and support)	8%
b3	Billing, Collection and Enforcement Organisation and Processes to Maximise the Net Debit and Collection	10%
b4	Performance Monitoring, Management Reporting and Statistical Information for Service Delivery	3%
b5	Audit, Security and Governance Arrangements	3%
b6	Year End and Printing	4%
b7	Transition and Exit Arrangements	4%
b8	Open Book Arrangements and Change Control	2.5%
b9	Social Value	2.5%
b10	Identification and management of risks (including business continuity planning and disaster recovery)	3%

#### 4.0 Financial Implications

- 4.1 There are no financial implications arising. The recommendation relates solely to the split of the 5% evaluation weighting for social value between price and quality.

## **5.0 Legal Implications**

- 5.1 The Leader has delegated certain functions to Cabinet members to be exercised within their portfolio area and in consultation with the Leader. These are set out in paragraph 13 of Part 3 of the Constitution and include changes to the evaluation criteria and process approved by Cabinet. As a result, the Cabinet Member for Resources is permitted in consultation with the Leader to agree the change in the split in the social value weighting as set out within the Recommendations to this report.
- 5.2 The contract award recommendation is scheduled to be considered by Cabinet on 12<sup>th</sup> November 2018.

## **6.0 Equality Implications**

- 6.1 There are no equality implications arising from the recommendations set out within this report.

## **7.0 Consultation with Ward Members and Stakeholders**

- 7.1 As this report affects all wards, consultation with specific ward members has not been conducted. As service delivery is unaffected by the recommendations within this report, consultation with Brent stakeholders has not been conducted.

## **8.0 Human Resources/Property Implications (if appropriate)**

- 8.1 There are no Human Resources / Property Implications arising from the recommendations set out within this report for the purpose of this report.

## **9.0 Public Services (Social Value) Act 2012**

- 9.1 The Council is under a duty pursuant to the Public Services (Social Value) Act 2012 (“the Social Value Act”) to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. Officers have had regard to considerations contained in the Social Value Act in relation to the procurement, to provide for the inclusion of social value as an evaluation criterion.

**Report sign off:**

**ALTHEA LODERICK**  
**Strategic Director, Resources**