	Decision of Cabinet Member for Finance & Resources
	Report from the Corporate Director of Finance & Resources

AUTHORITY TO TENDER CONTRACT FOR BUSINESS RATES AND ASSOCIATED I.T SUPPORT IN ACCORDANCE WITH PARAGRAPH 13 OF PART 3 OF THE CONSTITUTION

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	None
Background Papers[1]:	None
Contact Officer(s): (Name, Title, Contact Details)	Name: Ryan Stephenson Job Title: Service Manager – Debt Recovery Email: Ryan.Stephenson@brent.gov.uk

1.0 Executive Summary

1.1 This report concerns the provision of Business Rates and associated I.T Support services. This report requests approval to invite tenders in respect of Business Rates revenue collection as required by Contract Standing Orders 88 and 89.

2.0 Recommendation(s)

That the Cabinet Member for Finance & Resources having consulted with the Leader and in accordance with paragraph 13 of Part 3 of the Constitution:

2.1 Approves inviting tenders for the provision of Business Rates and associated I.T Support services based on the pre-tender considerations set out in paragraph 3.4 of the report.

2.2 Approves officers evaluating the tenders referred to in 2.1 above based on the evaluation criteria set out in paragraph 3.4 (vi) of the report.

3.0 Contribution to Borough Plan Priorities & Strategic Context

3.1 The Council requires the provision of a fully managed National Non-Domestic Rates (NNDR) service, including billing, collection, recovery, enforcement, valuation, appeals management, customer services, document management, statutory reporting and associated support services. The current contractual arrangements are approaching expiry, and the Council requires a compliant procurement process to secure the continued delivery of these essential statutory services.

Effective administration and collection of NNDR is fundamental to the Council's financial sustainability and its ability to deliver vital services to residents and businesses. Business Rates income forms a significant component of local government funding and supports the Council's capacity to invest in priority services, regeneration, housing, environmental improvements and support for vulnerable residents. Securing a high-performing service will maximise collection rates, minimise income loss through debt and appeals, and ensure the Council remains compliant with its statutory obligations. The proposed procurement supports the delivery of the Brent Borough Plan by ensuring the Council maintains a robust and effective Business Rates service that protects and maximises income available to fund local services.

https://www.brent.gov.uk/the-council-and-democracy/strategies-priorites-and-policies

Background

3.2 The Council requires the provision of Business Rates billing and collection and associated I.T support services. Officers have considered whether the collection of revenues exceeding £160m can be provided by the Council itself but have concluded that legislative expertise, knowledge and experience ensuring maximised recovery performance is best provided by a contractor.

3.3 Officers have reviewed a range of procurement options, including the use of frameworks available through Crown Commercial Service (CCS), YPO and G-Cloud. However, no suitable framework was identified that fully meets the Council's service requirements, scope and procurement timetable. As a result, officers have concluded that an open tender process represents the most appropriate procurement route, enabling the Council to obtain best value through a competitive process whilst ensuring compliance with procurement legislation and the Council's Contract Standing Orders.

The procurement relates to the appointment of a supplier to deliver a fully integrated National Non-Domestic Rates (NNDR) service on behalf of Brent Council The provider will operate as an extension of the Council, delivering services in the Council's name and brand. The scope includes:

- NNDR billing and account administration.
- Relief / discount administration and verification.

© London Borough Of Brent

- Collection and income management.
- Recovery and enforcement activities.
- Valuation and appeals management.
- Debt strategy and write-off management.
- Customer services and contact management.
- Inbound mail and document management.
- Statutory returns, forecasting and reporting.
- Financial governance and audit support.
- Digital transformation and service improvement.

Key policy considerations include:

- Compliance with NNDR legislation and statutory requirements.
- Adherence to Council policies relating to discretionary reliefs and recovery practices.
- Compliance with GDPR and information governance requirements.
- Compliance with the Taking Control of Goods Regulations 2014 in
- relation to enforcement activity.
- Equality and vulnerability considerations through tailored recovery approaches and Equality Impact Assessments.
- Compliance with the Council's financial regulations and governance frameworks.

Pre-tender Considerations

3.4 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations for the procurement of the contract for Business Rates and associated I.T. Support (the "Contract") have been set out below for the approval of the Cabinet Member for Finance & Resources.

Ref.	Requirement	Response
(i)	The nature of the Goods / Services / Works.	Billing and Account Administration Reliefs, Exemptions and Adjustments Collection and Income Management Recovery and Enforcement Valuation and Appeals Debt Strategy and Write-Offs Inbound Mail and Document Management
(ii)	The estimated value.	£3.67m (Three years, plus two, plus two year extensions) excluding VAT at standard 20% rate Years 1-3 – £1.57m Years 4-5 – £1.05m (Option to extend contract)

© London Borough Of Brent

<table>
<tr><th>Ref.</th><th>Requirement</th><th colspan="2">Response</th></tr>
<tr><td></td><td></td><td colspan="2">Years 5-7 – £1.05m (Option to extend contract)

Total: £3.67m</td></tr>
<tr><td>(iii)</td><td>The contract term.</td><td colspan="2">The contract will be awarded for an initial term of three years, with the option to extend for a further two years, followed by an additional extension of up to two years</td></tr>
<tr><td>(iv)</td><td>The tender procedure to be adopted.</td><td colspan="2">Open Procedure</td></tr>
<tr><td rowspan="11">v)</td><td rowspan="11">The procurement timetable.</td><td></td><td>Indicative dates are:</td></tr>
<tr><td>Publish Preliminary Market Engagement Notice</td><td>16 September 2026</td></tr>
<tr><td>Market Engagement Event</td><td>9 October 2026</td></tr>
<tr><td>Approval Seeking to Tender Submitted</td><td>26 October 2026</td></tr>
<tr><td>Publish Tender Notice</td><td>16 November 2026</td></tr>
<tr><td>Publish Invitation to tender (30 days)</td><td>16 November 2026</td></tr>
<tr><td>Deadline for tender submissions</td><td>14 December 2026</td></tr>
<tr><td>Panel evaluation and moderation</td><td>16 December 2026 – 6 January 2027</td></tr>
<tr><td>Report recommending Contracts award circulated internally for comment

Reports to be submitted 27 January 2027</td><td>By 27 January 2027</td></tr>
<tr><td>Cabinet approval</td><td>8 February 2027</td></tr>
<tr><td>Call In Period (5 days) Additional time as it is over the Christmas Period</td><td>By 15 February 2027</td></tr>
</table>

© London Borough Of Brent

Ref.	Requirement	Response	
		Publish Contract Award Notice	16 February 2027
		8 working days standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers	16 February 2027 – 26 February 2027
		Publish Contract Details Notice	By April 2027
		Contract Mobilisation Estimated 6 months	1 March 2027 – 30 August 2027
		Estimated contract start date	31 August 2027
(vi)	The evaluation criteria and process.	**Evaluation Criteria** Price Quality Social Value	**Weighting** 50% 40% 10%
(vii)	Any business risks associated with entering the contract.	The proposed contract supports the collection and recovery of over significant Council income, including the processing of personal data, statutory recovery activities and critical I.T enabled services. The principal risks relate to contractor underperformance reducing collection rates, system failure impacting service continuity, data security breaches, and non-compliance with legislative or regulatory requirements. These risks will be mitigated through robust procurement evaluation, contractual performance standards and KPIs, business continuity and disaster recovery requirements, information security controls, regular contract monitoring, and governance arrangements to ensure service resilience, compliance and the protection of Council revenue.	
(viii)	The Council's Best Value duties.	The Council will be awarding the Contract to the provider that have the Most Advantageous Tender (MAT).	
(ix)	Consideration of Public Services (Social Value) Act 2012	The Council is under 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	

© London Borough Of Brent

Ref.	Requirement	Response
		undertake consultation. Officers have had regard to considerations contained in the Social Value Act in relation to the procurement and social value forms 10% of the evaluation score.
(x)	Any staffing implications, including TUPE and pensions.	See section 9 below.
(xi)	The relevant financial, legal and other considerations.	See Financial Considerations at Sections 5 and Legal Considerations at Section 6 below.
(xii)	Sustainability	This tender will follow Brent's sustainability policy
(xiii)	Key Performance Indicators / Outcomes	Appropriate Key Performance Indicators / Outcomes will be included in the Contract.
(xiv)	Policy requirements London Living Wage; modern slavery; and carbon reduction	The Contract will require the payment of the London Living Wage.
(xv)	Sharing information to allow understanding of the Council's procurement policies and decisions	All relevant policies and information will be shared with the potential supplier during the procurement process.
(xvi)	Steps undertaken to remove or reduce barriers for SME participation in the procurement	Officers have considered whether any steps can be taken to remove or reduce barriers for SME participation in the procurement. It is considered that the procurement process recommended is appropriate for Business Rates and I.T support services required and upholds the principles of equal treatment, transparency, and non-discrimination. A market engagement event was held on 9 October 2026 enabling SMEs to have early indication of the tender to gain an understanding of contract requirements.
(xvii)	Contract Management	A contract manager will be appointed, and appropriate contract management provisions will be included in the Contract.

© London Borough Of Brent

Ref.	Requirement	Response

4.0 Stakeholder and ward member consultation and engagement

4.1 As this report has implications across all wards within the borough, consultation with individual Ward Members has not been undertaken. In addition, as the proposed procurement relates solely to the continuation of existing Business Rates service delivery arrangements and will not result in any material change to services provided to Business Ratepayers, consultation with Brent residents, businesses or other local stakeholders has not been considered necessary.

5.0 Financial Considerations

5.1 The estimated value of this Contract is £3.67m (Three years, plus two, plus two year extensions) excluding VAT at standard 20% rate.

5.2 Inflation is assumed to currently run at 3%. It is anticipated to fall towards the Bank of England 2% target rate around 2027. Assuming base contract costs of £500k per year across the initial 3-year term, the effect of inflation comes to £10-15k per year. The cumulative total of this is factored into the above figure.

5.3 The existing annual budget that the Debt Recovery service has for Business Rates support services is £525k. To cover the cost of the contract would require growth or mitigation.

5.4 The procurement seeks not only to maintain current collection performance but also to deliver continuous service improvement throughout the contract term. Whilst collection rates are influenced by a range of external factors, the Council's expectation is that the successful provider will deliver an incremental improvement in in-year collection performance of approximately 1.0% per financial year through enhanced recovery strategies, improved customer engagement, data-led interventions and continuous process improvements.

5.5 Given the scale of the Business Rates taxbase, even modest improvements in collection performance can generate significant additional income and cashflow benefits for the Council. As such, the contract will include performance management and continuous improvement mechanisms to support the achievement of year-on-year collection rate improvements where operationally achievable. A 1.0% increase in in-year collection would result in approximately a £0.5m benefit to the collection fund.

6.0 Legal Considerations

6.1 The estimated value of the proposed Contract is above the threshold for Services under the Procurement Act 2023 (the “PA23”) and the procurement is therefore governed by the PA23.

© London Borough Of Brent

6.2 The procurement is subject to the Council's own Standing Orders and Financial Regulations in respect of High Value Contracts given the procurement is valued at £3.67m. In accordance with paragraph 13 of Part 3 of the Council's Constitution, the Cabinet Member for Finance and Resources, having consulted with the Leader, has delegated power to approve the pre-tender considerations set out in paragraph 3.4 above (Standing Order 89) and the inviting of tenders (Standing Order 88) for High Value Contracts.

6.3 Once the tendering process is undertaken, Officers will report back to the Cabinet Member in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.

6.4 As this procurement is subject to the full application of the PA23, the Council must observe the requirements of the mandatory minimum 8 working day standstill period imposed by the PA23 before the Contract can be awarded. The requirements include notifying all tenderers in writing of the Council's decision to award and providing additional debrief information to unsuccessful tenderers on receipt of a written request. The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However, if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the Contract may commence.

6.5 Pensions issues in relation to Capita staff are addressed in Section 9 of this report.

6.6 The Council's ability to contract with a third party to undertake Business Rates billing, collection and enforcement activities is subject to the Deregulation and Contracting Out Act 1994, including section 70, and the applicable contracting-out legislation, including the Local Authorities (Contracting Out of Tax Billing, Collection and Enforcement Functions) Order 1996 (SI 1996/1880), as amended or otherwise applicable. The scope of the functions that may be undertaken by a contractor must be determined by reference to the relevant statutory provisions and the proposed service specification. The procurement will be structured to ensure that the contractor undertakes only those functions that may lawfully be contracted out or otherwise performed on the Council's behalf. The Council will retain responsibility for compliance with its statutory duties and for any functions that cannot lawfully be contracted out. The proposed contractual arrangements and the extent of the contractor's authority to exercise statutory functions will be confirmed before contract award. The necessary internal approval to enter into the contract will be sought from the Cabinet member, in accordance with the Council's constitution and applicable governance requirements.

6.7 This is a Key Decision for the purposes of paragraph 27 of Part 2 of the Constitution, in accordance with paragraph 30 of Part 2, the decision may not

© London Borough Of Brent

be taken unless it has been included in the Forward Plan, with not less than 28 clear days' notice of the intended decision having been given.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 Pursuant to s149 Equality Act 2010 (the "Public Sector Equality Duty"), the Council must, in the exercise of its functions, have due regard to the need to:

(a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

7.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

7.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

7.4 There is no prescribed manner in which the Council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.

7.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

8.0 Climate Change and Environmental Considerations

8.1 The proposed contract will support the Council's environmental objectives and Climate Emergency Strategy through the inclusion of social value commitments within the procurement and contract management arrangements.

9.0 Human Resources/Property Considerations (if appropriate)

9.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from retendering the Contract.

9.2 Under the current contractual arrangements, the Business Rates service is delivered by Capita, with operational activity undertaken from the contractor's

© London Borough Of Brent

offices in Bromley. Associated I.T support services are provided through Capita's established technology infrastructure and support arrangements.

9.3 If the recommendations within this report are approved, the successful supplier appointed through the procurement process will be required to deliver the Business Rates service from its own operational premises and maintain sufficient I.T systems, infrastructure and support arrangements to ensure the effective, secure and resilient delivery of the service in accordance with the Council's requirements and contractual obligations.

9.4 The requirements of the Best Value Authorities Staff Transfers (Pensions) Direction 2007 have been incorporated within the contractual provisions. These specifically require the Council to ensure that the contract provides protection for the pension rights of former Brent Council staff. There are no former Brent Council employees engaged by Capita for the Business Rates service that would be entitled to pension protection under the Best Value Authorities Staff Transfers (Pensions) Direction 2007.

9.5 For staff that were not formerly employed by Brent Council, pension provision is secured through the Pensions Act 2004 together with any existing contractual rights they may have to a pension.

9.6 A preliminary assessment indicates that TUPE may apply and employee liability information will be provided during procurement if applicable.

10.0 Communication Considerations

10.1 To promote market awareness and maximise supplier participation, the Council will undertake preliminary market engagement ahead of the formal commencement of the procurement process. The Council will issue an invitation to prospective suppliers to attend a one-hour market engagement session. The purpose of the session is to provide an overview of the Council's requirements, outline the proposed procurement timetable and enable suppliers to gain an understanding of the forthcoming opportunity.

The invitation will be published via the Central Digital Platform (CDP), with access details and portal links made available to all interested parties, ensuring an open, transparent and competitive procurement process. The market engagement exercise will be undertaken alongside the Council's governance arrangements, including the consideration of this report and the associated Cabinet approval process.

Report sign off:

Minesh Patel
Corporate Director - Finance and Resources

© London Borough Of Brent