

DECISION MAKING REPORT

Report for Assistant Director | Shared Services

Item number: n/a

Title: Appoint Meritec Limited to provide benefits processing service for a period of 8 months as allowed under Contract Standing Order 10.01.2b)

Report authorised by : Mark Rudd, Assistant Director | Shared Services

Lead Officer: Amelia Hadjimichael, Head of Benefits

Ward(s) affected: n/a

**Report for Key/
Non Key Decision:** n/a

1. Describe the issue under consideration

- 1.1 This report requests approval to waive the procurement process and the need to obtain quotes under contract standing order 8.03 as allowed under Contract Standing Order, 10.01.2b).
- 1.2 For Meritec Limited to provide a benefits processing service for a period of 8 months commencing in July 2017
- 1.3 The cost of the service provision will be met within the existing Benefits operational budget. The cost of the service is £154,316.
- 1.4 The service is being procured to support administration of the backlog of work within the benefits service caused by the large number of staffing vacancies within the service

Cabinet Member Introduction

n/a

2. Recommendations

- 2.1 For the Assistant Director Shared Services: Mark Rudd to approve the appointment of Meritec Limited from July 2017 for a period of 8 months to provide a benefits processing service.

2.2 To review procurement options for the use of Meritec Limited or other third-parties to provide ad hoc benefits processing support to the Council during peak work periods.

3. Reasons for decision

3.1 There is a growing backlog of work within the Benefits service. If this is not addressed in a timely manner, it will cause delays in processing new claims or change of circumstances, which will have a negative impact on residents.

3.2 Meritec Limited is used by a number of other local authorities to support their benefits service. The Council has taken verbal references from two local authorities who have both confirmed that the company delivers a good quality and accurate benefits processing service.

4. Alternative options considered

4.1 The Benefits service has previously engaged additional temporary agency workers at peak periods to clear the backlog of work. This approach has had mixed results. Although the backlog of work was cleared, the quality has been poor and has led to significant problems with Benefits Subsidy Claims and financial losses for the Council.

5. Background information

5.1 The Benefits service currently has a backlog of work. If this is not addressed in a timely manner, it will cause delays in processing delays in new claims or change of circumstances, which will have a negative impact on residents.

5.2 The backlog has been caused by the large number of staff vacancies within the Benefits service. The service has had a rolling programme of recruitment for over 12 months but the Council continues to compete with neighbouring boroughs for experienced and knowledgeable benefits staff.

5.3 The Benefits service has previously engaged additional temporary agency workers at peak periods to clear the backlog of work. This approach has had mixed results, leading to financial losses in Housing Benefit Subsidy. This practice has now stopped.

5.4 Following discussions with other local authorities, the third-party organisation: Meritec Limited has been identified as a provider of a high quality benefits processing service. Following discussions, Meritec Limited will provide additional benefits processing resources for a period of 8 months commencing in July 2017.

5.5 The total cost of the service is £154,316 broken down in the table below. The full cost of the service will be met from existing operational budgets.

| | Team of 7 FTEs | Comment |
|--------------------------|-----------------------|---|
| Team Leader (x1) | £23,666 | Responsible for team management and operational point of contact, will also perform an agreed level of Quality Checking/reporting and work as part of the assessment team when not managing the team. |
| Senior Officer (x1) | £22,333 | Responsible in team leader's absence and work as part of the assessment team. |
| Assessment Officers (x5) | £108,316 | 5 experienced Assessors capable of full range of assessment including self-employed, students, persons from abroad |
| Annual Total | £154,316 | |

5.6 The quality of the service provided by Meritec Limited will be monitored by the Benefits Service Quality Assurance Team and will be supported by a pre-agreed Service Level Agreement.

6. Contribution to strategic outcomes

6.1 The provision of Benefits Service supports the Council's statutory obligation to administer Housing Benefit payments to residents of the Borough on behalf of the Department of Works and Pensions.

7. Statutory Officers comments (Chief Finance Officer)

7.1 The cost of this provision will be met by the existing Benefits Service budget. The Service Level Agreement in place allows us to withdraw from the service early if performance doesn't meet the agreed criteria.

8. Procurement Officer comments

8.1 Procurement notes the content of the report and supports the recommendation

9. Use of Appendices

9.1 None.

10. Local Government (Access to Information) Act 1985

n/a

10. Approval

10.1 Having considered your request I do/do not (please delete) authorise you to proceed in accordance with the recommendation made above.

Signed: Date:

Mark Rudd, Assistant Director | Shared Services