

EXEMPTION FROM PROCUREMENT RULES

Council Tax Annual Billing – Printing and Postage

Background

Over recent years, the Council has used the Services of CFH Docmail Ltd for the purposes of printing, enveloping and posting Council Tax and Business Rate annual bills.

The Cost for 2020/21 to produce an estimated 70,600 bills was as follows:

Printing - £5,648
Postage - £19,415
TOTAL - £25,063

The above equates to 35.5p per bill.

Current Position and Proposal

The Revenue and Benefits Service remains committed to using the in-house print service to undertake the annual billing and posting of the Council Tax Bills in future years. It was hoped to use the in-house team from 2020/21 onwards but it has not been possible to finalise this for capacity and capability issues.

With the above in mind it is proposed to secure the services of an external printing company for one further year to undertake the printing and posting of the Council Tax Bills in 2021/22.

Given the significant reputational risk of moving to an alternative supplier for what may be only for a limited time, it is proposed to use the existing supplier (CFH Docmail Ltd) to undertake this work given their good performance in prior years.

CFH Docmail Ltd have provided the following quote for 2021/22 based on an estimated 71,259 bills:

Printing - £5,815
Postage - £23,515
TOTAL - £29,330 (or 41.2p per bill)

The above represents an increase of 17%. However the postage costs are effectively those charged by royal mail, with CFH's underlying price relating to printing. In terms of the cost of printing, the increase from 2020/21 is 2.9%.

The price provided therefore broadly reflects an inflationary increase and therefore remains competitive compared with the existing position.

To enable the necessary Council Tax Billing work to be placed with CFH Docmail Ltd for 2021/22, an exemption from procurement rules is requested which requires the concurrence from the Corporate Finance and Governance PFH for expenditure less than £50,000. This is the third year that such an exemption has been sought but as highlighted above, further action will be undertaken during the year with the aim of bringing this printing job in-house as soon as practicable.