

EXEMPTION FROM PROCURMENT RULES

Council Tax Annual Billing – Printing and Postage 2025/26

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, which have been the subject of historic procurement exemption decisions over recent years.

The Cost for 2025/26 to produce and send out just over 74k bills is as follows:

	2024/25	2025/26	Increase
Printing, collating and dispatching	£8,083.04	£8,450.97	£367.93
Printing and collating inserts	£1,672.15	£1,748.48	£76.33
Total CFH Cost	£9,755.19	£10,199.45	£444.26
Postage	£37,568.13	£42,373.80	£4,805.67

In respect of the postage rates highlighted above, these are set by the Royal Mail and therefore are deemed to be a 'proprietary' item (the above price reflects the use of the Royal Mails' 2nd Class service). In terms of the Constitution, this provides a basis to provide an Officer delegated exemption for this element of the work. (CFH effectively acting as agents and Royal Mail are the only statutory obligated company for the provision of a universal postal service delivering to every postal address in the District.)

Based on the above, the total procurement cost / spend with CFH is **£10,199.45**. This underlying contract value remains relatively low and is deemed to continue to provide value for money with only very limited increases proposed for 2025/26. Even though a further exemption is being sought, on aggregate with previous exemption decisions, the threshold set out in associated regulations would not be exceeded.

Given the significant reputational risk involved if moving to an alternative provider, (and the relative urgency, although it is acknowledged that this has been brought about by being unable to undertake the associated activity earlier in the year as originally planned) it is proposed to procure the necessary services of CFH for a further year by seeking a necessary exemption from procurement rules as set out within the Council's Constitution (three quotations would ordinarily be expected for procurement between £10,000 and £50,000).

It is acknowledged that a procurement exercise needs to be carried out at the next opportunity ahead of the necessary procurement decision for the council tax billing and printing process in future years. (this also helps address any potential / associated subsidy control risks that could arise from procurement exemptions)

To enable the necessary Council Tax Billing work to be placed with CFH Docmail Ltd for 2025/26, an exemption from procurement rules is requested which requires the concurrence from the Finance and Governance PFH for expenditure less than £50,000.

Upon consultation with Council's Monitoring Officer, who has confirmed whilst she is satisfied with the reasons supporting the exemption being sought, in accordance with Part 5.70 (Procurement Procedure Rules – Exemptions Section 2), we are only looking at the annual cost and should be looking at a longer contractual period and test the market for Value for Money. With the Essex Procurement Partnership it is hopeful that the market can be tested through 25/26.

Recommended

Signed

Richard Barrett

If you concur with the above and an exemption from procurement rules is appropriate / justified, please confirm agreement below:

Signed

Dated

Cllr M Stephenson
Portfolio Holder for Finance and Governance