

Committee: Performance Select

Agenda Item

Date: 29 September 2009

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Title: No Win No Fee Services

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Item for
information

Summary

- 1 "No Win No Fee" services can be a low- or no-risk way of realising cost savings without incurring up-front expenditure. They are especially useful for organisations that have limited in-house capacity to undertake such work.
- 2 A variety of such services are available, particularly in the following fields:
 - VAT reclaims
 - Duplicate payment recovery
 - Contract prices and supplier discounts
 - Benefits subsidy review
 - NNDR liability reduction.
- 3 Feedback from informal discussions with service providers strongly suggest that VAT reclaim is the most significant opportunity for the Council. Feedback also suggests that the Council is a relatively small client for such providers and therefore for some services the commission rate charged could be up to 45%.
- 4 The Council has been active in the area of VAT reclaims and has secured a refund of £280,000 with the support of a consultant operating on a No Win No Fee basis. The consultant's commission is 4% of the amount refunded.
- 5 The Council has registered an interest with a Duplicate Payment Recovery service that has been brokered by Improvement East. This work should commence shortly. Commission payable will be up to 20%.
- 6 Analysis of a sample of our payments data by a software provider identified that duplicate payments have occasionally occurred. Of the duplicates identified, action had already been taken to recover the overpayments in all but one case. The remaining case, worth £700, is being dealt with. These results suggest that there is merit in undergoing a more fundamental review.
- 7 Software is available to stop duplicate payments at modest cost and as occasional problems do occur this would probably be a prudent investment.

Recommendations

To note this report

Background Papers

None

Impact

Communication/Consultation	Discussions held with the following: <ul style="list-style-type: none"> • Improvement East • PricewaterhouseCoopers • Fiscal Technologies Ltd Information obtained from other councils via CIPFA Online Discussion Forum.
Community Safety	None
Equalities	None
Finance	£280,000 of savings already made. Possibility of additional savings arising from duplicate payments review.
Human Rights	None
Legal implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
The Council may not be maximising savings opportunities	3 (the Council does not possess the capacity required)	2 (modest savings may be realisable)	No Win No Fee services

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.