

Report for: Cabinet Member Signing

Title: Out of Hours Contract - financial approval to extend the contract

Report

authorised by : Jess Crowe
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Ward(s) affected: All

Report for Key/

Non Key Decision: Key

1. Describe the issue under consideration

- 1.1. This report seeks approval to ratify the extension to the Out of Hours agreement with Ealing Council and Capita Business Services Limited, for the provision of the shared Out of Hours Customer Call Handling Service. The service is under contract for 7 years, due to expire in September 2025.
- 1.2. The original cabinet paper provided financial approval for five years to September 2023, with the option to extend (5yrs + 1 + 1). The contract that was signed however, was for the full term of 7 years. The Council now wishes to ratify the extension of contract as reflected in the signed contract. The value of the contract therefore now needs to be extended from £719,500 to £959,100 which is an increase of £239,600 (excluding Housing) to cover the remaining life of the contract to September 2025. The increase value of the contract of £239,600 includes cost associated with Ealing Council and Capita Business Service Limited, Ealing Council costs will be £19,600 and Capita Business Services Limited will be £220,000.
- 1.3. An additional approval for the sum £419,600 is also sought for the housing related aspect of the out of hours contract. Homes for Haringey previously held a separate contract with Capita Business Services Limited. The continued out of hours service provision for both the council and housing services will now be managed jointly and following novation of the Homes for Haringey contact with Capita Business Services Limited, we will seek to provide a single out of hours provision. The additional approval of £419,600 includes cost associated with Ealing Council and Capita Business Service Limited, Ealing Council costs will be £19,600 and Capita Business Services Limited will be £400,000.

2. Cabinet Member Introduction

- 2.1. Haringey Council is already part of an established overarching out of hours service agreement which provides shared call handling services to participating councils and organisations listed in 7.16 of which Ealing Council is the lead authority with the successful tenderer, Capita Business Services Limited who provide services under agreed terms. We have been part of an overarching

agreement since 2009 and in February 2018 sought further approval to be part of the current framework having gone through a full procurement process.

- 2.2. Housing related services (Homes for Haringey) had a separate contract within the same framework for the same duration which has now been novated to Haringey Council.
- 2.3. The Out of Hours telephone service provides an essential emergency contact channel for all residents and business users needing to contact the Council outside of core business hours, during evenings, weekends, and bank holidays. This service is not the Out of Hours equivalent to the Customer Services day-time operation and does not deal with day-to-day transactional matters or offer advice and guidance on generic council services. The Out of Hours service solely supports residents with urgent emergency matters arising when the council services are closed.
- 2.4. Since joining the framework, Haringey Council has benefited from the increased ability for out of hours calls to be handled. Through the framework, the service allows for greater flexibility when dealing with fluctuating call demand and crisis events throughout the operating hours.

3. Recommendations

- 3.1. For the Cabinet Member for Housing Services, Private Renters and Planning to:
 - ratify the contract extension of two years and to approve the additional funding from £719,500 to £959,100 which is an increase of £239,600 (excluding Housing) to cover the period from October 2023 to September 2025 with Capita Business Services Limited as described at section 6 and 7. £239,600 includes costs associated with Ealing Council and Capita Business Service Limited, Ealing Council costs will be £19,600 and Capita Business Services Limited will be £220,000.
 - approve the additional funding of the sum £419,600 for the housing related aspect of the out of hours contract to cover the period from October 2023 to September 2025 with Capita Business Services Limited as described at section 6 and 7. £419,600 includes costs associated with Ealing Council and Capita Business Service Limited, Ealing Council costs will be £19,600 and Capita Business Services Limited will be £400,000.

4. Reasons for decision

- 4.1. The approved value of the contract with Ealing Council and Capita Business Services Limited is currently £719,500. This is the sum agreed upon at the commencement of the contract with the Out of Hours Customer Call Handling Service, Capita, on 1st October 2018 up to 30 September 2023. For the period from October 2023 to September 2025, the remaining value of the contract is £239,600.

- 4.2. As the council is now managing the Out of Hours services provided for Housing, there will be an additional cost of £419,600.
- 4.3. The overall additional financial value will therefore be £659,200.
- 4.4. The extended financial approval will ensure that we continue to have a robust out of hours offering.

5. Alternative options considered

5.1. Two alternative options were considered:

- Option A – Exit the contract and replace the supplier with an alternative provider
- Option B - Exit the contract and set up and operate our own in-house operation

5.2. Option A: This is not a viable due to the limitations on time to identify and enter a contract with an alternative provider. Furthermore, to exit the contract ahead of the contract end date will result in Haringey paying an exit fee at an estimated cost of £431,235 for year 6 & 7.

5.3. Option B: This is not a viable option. We are not able to robustly set up an in-house out of hours service provision within the timeframe. Additionally, Haringey would be required to pay an exit fee to leave the contract early at an estimated cost of £431,235 for year 6 & 7.

6. Financial summary

6.1. The existing contract will continue to run from 1 October 2023 to 30 September 2025, with the total value over the remaining contract estimated to be £659,200 as shown in 6.2.

6.2. Costs Summary – 2 Year Period (October 2023 to September 2025)

	Capita (A) (B)	Ealing Council (B)	(A) +
Haringey Council (corporate)	£220,000	£19,600	£239,600
Haringey Council (Housing)	£400,000	£19,600	£419,600
	£620,000	£39,200	£659,200

7. Background information

- 7.1. This report is to seek approval to fund the remaining period of the contract with Capita Business Services Limited to September 2025.
- 7.2. Haringey Council entered our first contract under the Out of Hours Services Framework Agreement in August 2009 and continued as part of this framework when the contract was re-tendered in 2012 and again in 2018. The existing contract has provided major financial and service benefits for Haringey and the other participating organisations.
- 7.3. Since joining the Framework Agreement, Haringey Council has benefited from the increased ability for out of hours calls to be handled as this allows for greater flexibility when dealing with fluctuating demand throughout the operating hours. All calls are strictly monitored for quality, receive minimal complaints, and good levels of call answering with minimal waiting times.
- 7.4. Calls are routed to Capita Business Services Limited via Haringey Council telephone menu system(s) using 020 8489 0000 and 020 8489 1000 for corporate services and 020 8489 5611 for housing specific services. Advisory announcements are made within the menu system and related telephone options enable calls to be transferred to Capita.
- 7.5. Capita use agreed scripted processes to manage all enquiries referred to them.

Haringey Council call data for period 1 April 2022 to 31 March 2023:

- 13,102 calls were presented
- 95.3% of calls were answered
- The average speed to answer calls was 0:01:34
- 4 complaints were received and all 4 were upheld

Housing Services (HfH (Homes for Haringey) call data for period 1 April 2022 to 31 March 2023:

- 16,196 calls were presented
- 98.4% of calls were answered
- The average speed to answer calls was 0:02:13
- 16 complaints were received of which 3 were upheld

- 7.6. The Framework Agreement allows for disaster recovery for our daytime calls if required, for example e.g., telephone outage, system outage, daytime back up electoral telephone response.
- 7.7. A yearly review is built into the contract to restrict the interest rate increasing beyond RPI (Retail Price Index) or CPI - whichever is the lowest. The service has undertaken regular best value reviews of the service to ensure cost are kept low.
- 7.8. The services that are provided to Haringey under the framework agreement are:
 - Social Services (silver)
 - Major emergencies (gold)
 - Media enquiries (silver)

- Environmental health (silver)
 - Dangerous structures (gold)
 - Noise pollution (silver)
 - Registrar emergencies (silver)
 - Suicide threats (gold)
 - Anti-social behaviour (silver)
 - Highways repairs (silver)
 - Street lighting (silver)
 - Fleet Vehicles (silver)
 - Building security/alarms (silver)
 - Stray dogs (silver)
 - Waste collection (silver)
 - Street cleaning (silver)
 - Graffiti removal (silver)
 - Terror Threats (gold)
 - Trees (silver)
- 7.9. The services that are provided to Housing under the framework agreement are:
- Estate Services (silver)
 - Homelessness (complex) – arrange accommodation where appropriate.
 - Repairs (complex) – data input into legacy application
- 7.10. The out of hours service can be utilised during daytime working hours for business continuity purposes.
- 7.11. The Framework Agreement works well, and suits Haringey and all other participants' needs. All the participants pay a quarterly fee of £2,450 to Ealing; the monies collected contribute towards the contract management role and are banked to ensure there are sufficient funds to pay for the best value money review (mid contract), the re-procurement (at the end of the contract), and any legal assistance required throughout the life of the contract.
- 7.12. Ealing Council is the Lead authority and led on the procurement of this service in accordance with the Memorandum of Understanding (MoU) between Ealing Council and all of the Participating Organisations (PO) - there is currently a total of seven participating organisations, of which Haringey Council is one. Ealing have signed an overarching agreement for an Out of Hours Handling Service with Capita Business Services Limited, on behalf of all the partners. The contract is for a duration of 7 years ending September 2025.
- 7.13. The existing contract has enabled Haringey Council to have a consistent, effective, and efficient out of hours service with continuous minimal costs.
- 7.14. Additionally, the service is the designated disaster recovery option for when the daytime telephone service fails e.g., it can and has provided emergency telephone cover when the council has experienced telephony failure, and it is the telephone back up option for Election periods.

- 7.15. A bespoke computer system, electronic rostering, communication reporting portal and telephony platform has been built specifically for the partnership. At the end of the term of the contract, ownership of the complete technical infrastructure will belong to the partnership collectively (enabling the partnership to benefit from potential future savings).
- 7.16. Participants currently include LB Ealing, LB Haringey, LB Enfield, LB Hammersmith and Fulham, LB Barnet, LB Barking and Dagenham and LB Barking and Dagenham Trading Partnership.
- 7.17. There is the opportunity to explore potential in-sourcing over the next 18 months as the current contract draws to an end, and therefore we will conduct a full review, particularly as Housing related services are now back in the Council. This work will commence in the autumn.

8. Contribution to strategic outcomes (Corporate Delivery Plan)

- 8.1. Residents experience consistent service standards, with inclusion across all channels and adaptations and enhanced support for those that need it.

9. Statutory Officers comments

9.1. Finance

- 9.2. The £239,600 cost of the out of hours service (excluding housing) two-year contract extension is funded from existing budgetary provision within Customer Services.
- 9.3. The £419,600 cost of the two-year extension for the housing-related out of hours services is charged to and funded from the Housing Revenue Account with an appropriate recharge to the General Fund for Housing Demand activity.
- 9.4. As set out in Section 5 there are no alternative financially viable options at this time other than to extend the contract value to cover the final two years of the contract.

9.5. Strategic Procurement

- 9.6. CSO 10.02.1b permits the Cabinet to vary contracts where the value is £500,000 or more. CSO 16.02 permits the Leader to delegate such decision to the Cabinet Member having the relevant portfolio responsibility.
- 9.7. Strategic Procurement support the recommendations in section 3 of this report.

9.8. Legal

- 9.9. The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

- 9.10. The Council is part of a Framework Agreement for Out of Hours Service with Ealing Council acting as the lead authority. Framework Agreements are a compliant tender process under the Public Contracts Regulations 2015 (Reg 33) and are also provided for in Contract Standing Orders (CSO 7).
- 9.11. As the value of the contract and extension is over £500,000, the decision would normally be taken by Cabinet. In between meetings of the Cabinet, the Leader may take any such decision or may allocate to the Cabinet Member with the relevant portfolio (CSO 16.02). The Cabinet Member for Housing Services, Private Renters and Planning has power to approve the recommendations under CSO 10.02.1 b and CSO 16.02
- 9.12. The Head of Legal Services has been advised that the part of the services which was managed by Homes for Haringey has been novated to the Council. The Cabinet Member for Housing Services, Private Renters and Planning has power to approve a variation to the contract to include this aspect of the work under CSO 10.02.1 b and CSO 16.02.
- 9.13. The decision to extend and vary the contract is a Key Decision and as such needs to comply with the Council's governance arrangements including publication in the Forward Plan.
- 9.14. The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Cabinet Member for Housing Services, Private Renters and Planning from approving the recommendation in this report.

9.15. Equality

- 9.16. The Council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not
- 9.11 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.
- 9.12 Due to the nature of the service, the agreement is in accordance with the procurement legislation associated with social services, data protection and industry standards.
- 9.13 Equality considerations were factored into the Selection Questionnaire and the overarching agreement makes it clear that equalities duties and responsibilities are built into the terms and conditions of the contract.

- 9.14 As an organisation carrying out a public function on behalf of a public body, the contractor will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above.
- 9.15 The Council will continue to monitor equality considerations, identify vulnerabilities, and refer to statutory services, in line with current service provision.
- 9.16 Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation.
- 9.17 Advance equality of opportunity between people who share those protected characteristics and people who do not.
- 9.18 Foster good relations between people who share those characteristics and people who do not.
- 9.19 The Council's Equal Opportunities Policy (2012) details how equality considerations are factored into the procurement process. The tendering process requires the contractors to demonstrate their compliance with the Equality Act (2010).
- 9.20 Due to the nature of the service, the agreement is in accordance with the procurement legislation associated with social services, data protection and industry standards.
- 9.21 Equality considerations were factored into the Selection Questionnaire and the overarching agreement makes it clear that equalities duties and responsibilities are built into the terms and conditions of the contract.
- 9.22 The Council will continue to monitor equality considerations, identify vulnerabilities, and refer to statutory services, in line with current service provision.

10. Use of Appendices

- Exempt appendix 1 – breakdown of cost for Haringey Council (corporate) and Housing Services

11. Local Government (Access to Information) Act 1985

Background Documents

- N/A