

Haringey Council

Report for:	Cabinet Member Signing - 9 September 2014	Item Number:	
Title:	Extension of the existing Strategic Partner contract to support the Customer Services Transformation Programme		
Report Authorised by:	Tracie Evans, Interim Chief Operating Officer <i>Tracie Evans</i>		
Lead Officer(s):	Andrew Rostom, Customer Services Transformation Programme Manager		
Ward(s) affected: All	Report for Key/Non Key Decisions: Key		

1 Describe the issue under consideration

- 1.1 The purpose of this report is to seek approval from the Cabinet Member for Resources and Culture to extend the existing strategic partnership contract for the Customer Services Transformation programme (CST) by 12 months. The contract took effect from 1 October 2013. The original report to the Leader dated 30 July 2013 contained an option to extend this agreement beyond the initial 12 month period for a further 12 months subject to satisfactory performance.
- 1.2 This report seeks to exercise that option so that the contract extension can be in place from 1 October 2014 so that the required level of strategic support for the CST programme can continue until September 2015.
- 1.3 Performance by the strategic partner over this period is satisfactory and in line with both the outputs expected and approved expenditure (Sections 5.2 and 5.3 of this report provide further detail).

2 Cabinet Member introduction

- 2.1 The CST Programme is a large complex programme of improvement tasked with delivering a number of improvements, changes and financial benefits over the next four years as part of the Councils revised corporate plan. It supports one of the main cross cutting themes:



“Customer focus – placing our customers needs at the centre of what we do”

In line with the above and in addition to being a key enabler in supporting the revised set of corporate priorities, it will support the council in becoming a more customer focussed organisation.

3 Recommendations

It is recommended that approval be granted, under Contract Standing Order 10.02.2, for an extension of the existing strategic partner contract with Agilisys for customer services transformation consultancy services for a further period of 12 months commencing from 1 October 2014 through to 30 September 2015.

4 Alternative options considered

4.1 The report of 30 July 2013 stated that a number of suppliers were identified and assessed as part of the original procurement process. At the time an option for Haringey to implement without a strategic partner was identified but it was not believed this would give the best result for the Council for the following reasons:

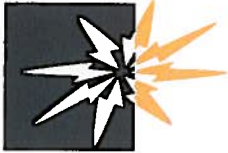
- Programmes such as this need flexible resourcing that does not “hard wire” additional capacity into the organisation. Transformational change of the order planned requires specialist assistance and it is usual to contract for such services rather than to employ directly as the programme of change is finite.
- The Council needs to learn from others’ experience in implementing such large and complex transformational change programmes.

5 Background information

5.1 Agilisys were appointed as the Council’s strategic partner to support the Council in delivering the initial 12 months for the CST programme (with an option to extend this support for a further 12 months) upon successful completion of outputs.

5.2 The initial 12 months of the contract commenced formally from 1 October 13 and since then the relevant programme outputs have been successfully delivered and these are detailed below:

Programme / Project(s)	Key outputs and deliverables
Programme	<ul style="list-style-type: none">• Updated Programme Brief (which provides an overview / mandate for the programme)• Stage 2 programme plan• Stage 1 Lessons learned review• £197k financial benefits delivered for 14/15 (in line with the Outline Business case)



<p>Shape Future Services Project</p>	<ul style="list-style-type: none"> • Customer Access Strategy (which includes a new 'Vision' for Customer services) • Interim Target Operating model (which provides the design of the future Customer Services operation e.g. channels, processes, organisation, systems, performance etc). • Equalities Impact Assessment • Digital uptake research (which is a short report on the approaches taken by some other local authorities to implement digital channels and encourage take up of these)
<p>CS Operational Project</p>	<ul style="list-style-type: none"> • Root cause analysis (which led to a service improvement plan including changes and improvements to the IVR phone system) • New KPI dashboard report
<p>CS Service Development Project</p>	<ul style="list-style-type: none"> • Service transformation methodology (which is the specific approach used to undertake customer services transformation within Haringey) • Implementation plan (which organised all services within the scope of the programme into three 'Waves', so that the implementation could be undertaken in line with these) • Analysis, detailed design and migration of all Wave 1 services into Customer services: <ul style="list-style-type: none"> - Complaints - Traffic Management - Adults Integrated Access Team - Benefits - Council Tax • Analysis and detailed design of all Wave 2 services: <ul style="list-style-type: none"> - Libraries - Community Housing (primary service areas) - Homes for Haringey (primary service areas) - Children's services (social care – screening) • Analysis and detailed design of all Wave 3 services: <ul style="list-style-type: none"> - Community Housing (remaining service areas) - Homes for Haringey (remaining service areas) - Children's services (schools admissions, youth services, early help) - Single frontline services - Regulatory services - Registrar services - Planning - Building Control • *PQQ and ITT (including detailed requirements specification) developed for Customer Platform procurement exercise. <p><i>* Please note that this work was undertaken solely by the Council without any support from its strategic partner.</i></p>
<p>CS Culture Change project</p>	<ul style="list-style-type: none"> • Change portal (which provides all council staff and managers with a single information source for programme communications) • Customer groups (including a 'working' group who are accountable for driving change in their respective service areas and a 'commissioning' group whose service areas will be users / internal recipients of the future Customer Services Organisation) • Residents panel (which was re-launched with a group of residents engaged in surveys and focus groups to look at emerging themes from the programme to provide views). • Customer care standards (which have now been refreshed and are informed by the residents' panel, customer feedback, and complaints) • Mystery shopping scheme (which is a staff based scheme used as a way of measuring the new customer care standards).



- 5.3 The original contract award was approved on the basis that the total indicative contract spend for the initial 12 month Stage 2 support would not exceed £812k and if the option to extend was exercised the total indicative spend would be £1.6m.

The original report stated that *"The lead officer will need to develop a spend profile for the initial 12 month period of the contract which will need to be closely monitored to ensure that costs are contained and that the Council receives the expected outputs"*.

In line with the requirement above the table below provides detail on spend to date within the initial 12 month agreement:

CST Costs	£000's
Estimated maximum spend for initial 12 months (as approved by the Leader)	£812
Actual invoiced spend from 1 October 2013 to 31 July 2014	£663
*Projected spend from 1 August to 30 September 2014	£134
Total anticipated spend as at end of initial 12 month contract period	£797

**Projected costs have had to be used here given the timing for producing this report is in advance of these costs being invoiced*

- 5.4 In line with the above and given the information provided in section 5.2 it is requested that approval is provided to extend by a further 12 months. This will ensure that the council sustains the current pace, momentum and demonstrable progress achieved by the CST programme to date, and further ensure that key planned programme milestones can be successfully achieved over the 12 month period from October 2014. Continued strategic partner programme support will be crucial in helping the council to deliver the changes, improvements and financial savings required (the latter of which will contribute significantly towards corporate savings required within the overall MTFP).

The specific financial savings to be delivered by the CST programme are set out in Programmes business case and an updated version of this will be submitted to Cabinet in December 2014 for members to review and approve.



6 Comments of the Chief Finance Officer and Financial Implications

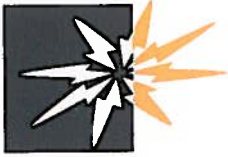
- 6.1 The proposed second year's (12 month) spend can be met from the approved budget for the overall Customer Services Transformation programme.

7 Comments of the Assistant Director of Corporate Governance

- 7.1 The report is recommending the approval of a 12-month extension of the Council's existing consultancy contract with Agilisys, valued at some £800,000. The original contract award included an option to extend the contract in this way.
- 7.2 Under CSO 10.02.2, a contract extension valued £500,000 or more must ordinarily be approved by Cabinet. However, under CSO 16.02, the Leader may allocate such a decision, whether urgent or not, to be taken between Cabinet meetings by the Lead Cabinet Member.
- 7.3 As the value of the proposed extension exceeds £500,000 under CSO 3.01(d) it is a key decision and must be published in the Forward Plan. This has been done.
- 7.4 In the circumstances, the Assistant Director of Corporate Governance confirms that there are no legal reasons preventing the Lead Member from approving the recommendation in paragraph 3 of this report.

8 Equalities and Community Cohesion Comments

- 8.1 As part of the work under the Customer Service Transformation Programme, a full Equalities Impact Assessment (EQIA) has been completed. This identified and considered the impact the overarching customer design principles underlying the CST programme is likely to have on the various protected characteristics covered in the assessment and includes mitigations of those impacts.
- 8.2 The assessment includes views from resident groups and partner organisations. It also involved a special Customer Services Panel established in 2013 to gather feedback from a representative cross section of our customers/residents on establishing the best channel mix for the Council, in particular the experience and usability of digital and web-based services.
- 8.3 It is noted that as a frontline service Customer Services needs to ensure that it meets the needs of the local community. That is why further Customer Services Panel meetings are planned for up to 2015 to feedback on progress and consult on any new developments and on delivery models.



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9 Head of Procurement Comments

9.1 The original contract award to Agilisys in 2013 contained an option to extend the 12 month contract by a further 12 months; subject to satisfactory performance and costs being contained within agree budget and up to a maximum amount of £1.6m.

9.2 The Councils' constitution and Contract Standing Orders (amended July 2014) now makes provision for the Leader to either take a decision herself or allocate decision making to a Cabinet Member in between Cabinet meetings (whether the subject is considered urgent or not). Accordingly, the Forward Plan indicates that the request to extend the contract will be considered by the Member for Resources & Culture in the period 2-10 September 2014

10 Policy Implications

10.1 N/A

11 Reasons for Decision

11.1 The Council has initiated the Customer Services Transformation programme and has partnered with a specialist consultancy to support the delivery of this. This report seeks approval to continue this strategic partnership contract for the next 12 months.

12 Use of Appendices

12.1 N/A

13 Local Government (Access to Information) Act 1985

13.1 N/A.