

# **MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON WEDNESDAY, 7TH FEBRUARY, 2018, 10.30am**

## **PRESENT:**

**Councillors: Joseph Ejiofor**

### **1. FILMING AT MEETINGS**

The Cabinet Member referred those present to agenda item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein.

### **2. URGENT BUSINESS**

There were no items of urgent business.

### **3. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **4. AWARD OF CONTRACT FOR THE PROVISION OF OUT OF HOURS CALL-HANDLING - CONTRACT STANDING ORDER (CSO) 16.02 APPLICABLE**

The Cabinet Member noted that the report sought approval for the Council to participate in an overarching agreement to provide a shared out of hours, customer call-handling service with the participating councils and organisations listed in paragraph 6.25 of the interleaved report, and adhere to a services agreement for out of hours' customer call handling services.

The Council had been part of a Pan London Framework out of Hours, customer call-handling service since 2009. The contract was managed by Ealing Council and service delivery provided by GDIT [General Dynamics Information Technology]. The current contract was due to expire on the 30<sup>th</sup> of September 2018 and an OJEU compliant procurement exercise had been undertaken including Haringey and which all the participating councils and organisations listed in paragraph 6.25 of the report had been party to. This led to Ealing borough awarding the contract to Capita Services Business Limited [a subsidiary of Capita] for a period of 5 years with a further option to extend for 1+1 years, meaning the maximum contract period could be 7 years.

The Cabinet Member was asked to approve the new contract to ensure a seamless transfer of the current out of hours' service to a new provider, continuing the good

value approach Haringey has taken since initially joining the framework in August 2009.

In response to a question from the Cabinet Member, it was clarified that there would be a midterm review of the contract which would consider performance and delivery and inform a view on whether the contract could be further extended for 1+1 years.

In response to a question on delivering the Out of Hours customer handling service in-house, the cost would be at least double the amount of the proposed new contract and there would be significant costs associated with keeping a Council building open for 24 hours to provide emergency contact with the Council.

The Assistant Director for Customer Services further advised that, in the event of a major borough emergency during out of hours in the Council, this contract arrangement would be able to call on a significantly larger pool of telephony resources and provide priority status for support. If the service was in-house, only circa seven members of staff could be called upon.

## RESOLVED

1. In accordance with CSO 16.02, to approve an Out of Hours Customer Call Handling access agreement, with Capita Business Services Limited, under a new Framework Agreement that was tendered by London Borough of Ealing on behalf of the participating organisations. London Borough of Ealing will be the Lead Authority in the award of the new contract and will carry out the contract management for the contract.
2. To agree that the contract will run from 1<sup>st</sup> October 2018 to 30<sup>th</sup> September 2023, with an annual value for call handling in the region of £135k (approximately £675k over a five-year period). There is an annual lead client management fee payable to Ealing of £8,900 (approximately £45k over a five-year period). The total cost of the contract over five-years will be £720k.

### Summary

Period	Contract Cost (A)	Fee (B)	A + B
Per annum	£135,000	£8,900	£143,900
5 year period	£675,000	£44,500	£719,500

3. To approve the continuation of the policy of adopting the “Gold/silver” level service for Haringey Council; where Gold is having 80% of calls answered in 20 seconds and Silver is having 80% of calls answered in 60 seconds. The associated cost of these two service levels, based on the current service provision is explained in **Appendix A**.

### **Reasons for decision**

The current service is delivered under a framework agreement, that commenced in October 2012. The contract is managed by Ealing Council and service delivery is provided by General Dynamics Information Technology Limited (GDIT). This contract for an Out of Hours call handling service is due to expire on the 30<sup>th</sup> September 2018.

A joint procurement exercise of which Haringey and all of the partners listed in 6.25 have been party to, in accordance with the Memorandum of Understanding between Ealing and all participating organisations was undertaken, and subsequently a new provider has been appointed.

The new contract will ensure a seamless transfer of the current Out of Hours service to the new provider, continuing the good value approach Haringey has taken since initially joining the framework in August 2009.

It is recommended that Haringey Council take forward this option.

### **Alternative options considered**

Three options were considered:

- Option A - Do nothing
- Option B - To set up and operate our own in-house operation
- Option C - All participants/organisations to tender individually

Option A: This is not a viable option due to the current contract ending on the 30<sup>th</sup> September 2018. Haringey and the participating organisations have an obligation to residents to provide this critical emergency service.

Option B: This is not a viable option, due to the annual cost of running a stand-alone service. To provide an adequate service, a team of eight full-time employees, and management cover would need to be recruited, all of whom would operate on a rota basis covering un-sociable hours. It is unlikely that an acceptable level of service could be provided with this staffing number during unexpected peaks in demand e.g. borough emergencies. The staffing cost of maintaining the service in-house would equate to an estimated £336,000 per annum. Currently the cost for providing the out of hours' service is approximately £100,000 per annum. Further, a new location would need to be identified to house the service. The Customer Service Contact Centre, which provides Haringey's daytime service could host an independent Out of Hours team, however there would be additional costs incurred to ensure that Alexandra House is kept open 24/7. If demand for an in-house service were to fall after set up, there would be fixed overheads that Haringey would need to fund for a number of years. Therefore, taking into consideration the costs that would be incurred from Facilities Management, utilities and staffing, setting up a new in-house operation could cost in excess of £400k per year.

Suppliers in this field have advanced supply chains with specialist sub-contractors, that have a greater ability to innovate than would be possible with a traditional in-house service. Consequently, the in-house option, involving investment in the

necessary technology, staff and property carries business risk. Suppliers have advised us at soft market testing (carried out in June 2016) that they would typically require 5 years of contract length to repay this investment.

Option C: Although there would be sufficient time to conduct a separate procurement exercise prior to the current contract expiring (albeit under tight timescales), this would prove to be a costly option. Haringey would need to pay for the procurement exercise, and could not guarantee securing an equivalent level of service provision, with similar levels of flexibility and disaster recovery that is available under the Out of Hours Customer Call Handling services partnership, for a comparable or lower cost. The cost of the contract management would be solely the responsibility of Haringey Council. The partnership agreement allows for reduced costs due to the collective call volumes and economies of scale. Additional savings may be achieved should new participating organisations join. This would not be available to Haringey if we were to procure a replacement Out of Hours service separately to this framework.

Other public sector call handling frameworks do exist; however, most are specialist services aimed at Public Health or Police services. There is no other framework that Haringey could consider joining as an alternative.

**5. NEW ITEMS OF URGENT BUSINESS**

None

**6. EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED**

That the press and public be excluded from the remainder of the meeting as the following agenda item contained exempt information as defined under paragraph 3, Part 1 Schedule 12A of the Local Government Act 1972.

**7. AWARD OF CONTRACT FOR THE PROVISION OF OUT OF HOURS CALL-HANDLING - CONTRACT STANDING ORDER (CSO) 16.02 APPLICABLE**

As per item 4.

**8. NEW ITEMS OF URGENT EXEMPT BUSINESS**

None.

CHAIR:

Signed by Chair .....

Date .....