


<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>CABINET</b></p> <p style="text-align: center;"><b>9 MAY 2016</b></p>	
<p><b>ONGOING PROVISION OF CORPORATE CONTACT CENTRE SERVICES AND ONLINE MY ACCOUNT PORTAL</b></p>	
<p><b>Report of the Cabinet Member for Commercial Revenue and Resident Satisfaction – Councillor Ben Coleman</b></p>	
<p><b>OPEN REPORT</b></p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial and confidential information.</p>	
<p><b>Classification - For Decision</b></p> <p><b>Key Decision: YES</b></p>	
<p><b>Wards Affected: ALL</b></p>	
<p><b>Accountable Director: Hitesh Jolapara – Strategic Finance Director</b></p>	
<p><b>Report Author: Darren Atkinson – Change Manager</b></p>	<p><b>Contact Details:</b></p> <p>Tel:</p> <p>E-mail: <a href="mailto:darren.atkinson@lbhf.go.uk">darren.atkinson@lbhf.go.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1. The council has developed a Residents' Satisfaction Strategy, to set out the council's overall approach to customer services. To achieve the vision and outcomes of the strategy the council has appointed an interim director for resident satisfaction to support and drive forward our residents' satisfaction strategy and improve our customers' experience whilst reducing cost.
- 1.2. The director will have as one of their responsibilities the delivery of a change programme that will align the main channels of contact with the council – namely the corporate contact centre and the online My Account portal.
- 1.3. During weekdays the council's corporate contact centre receives approximately 155,000 contacts each year for services such as cleaner greener, environment and registrars. In the evening and at weekends the council receives approximately 10,000 contacts each year mainly relating to environmental issues and social care.
- 1.4. The corporate contact centre service is delivered via a variation to the Hammersmith & Fulham Bridge Partnership (HFBP) contract. This was entered

into following a procurement exercise conducted by H&F where Agilisys Ltd were the successful supplier. The result is that Agilisys Ltd provide the services as sub-contractor to HFBP.

- 1.5. The contact centre is based in Rochdale and handles telephony and email contacts for 6 service areas. The existing contract for the provision of daytime and out of hours (OOH) contact centre services expires on 31st October 2016.
- 1.6. The current online My Account portal gives H&F customers access to a number of council services such as council tax, benefits, parking, environmental reporting and licensing. There are currently 155,000 registered users and the online portal accounts for some 240,000 of council contacts per year.
- 1.7. The online My Account portal was co-developed with the council as part of a previous customer programme. It is hosted, supported and developed by Agilisys Digital and the current agreement is delivered via HFBP and also comes to an end on 31 October 2016.
- 1.8. The council conducted a mini-competition in November 2015 to obtain prices from the market for the provision of contact centre services under a Department for Work & Pensions framework. This exercise was discontinued because only one bid, which was unaffordable was received. Due to time constraints and ICT related risks it will not be possible to implement a replacement service before 31 October 2016.
- 1.9. A number of options are being explored for developing and enhancing the online provision for residents, including seeking efficiencies through the alignment of procurement with other London boroughs. As a result the council is seeking to maximise the time available to evaluate and consider these options and so the current service is required beyond the 31 October 2016.
- 1.10. The council must maintain business continuity whilst migrating and enhancing these two high volume contact channels and to minimise disruption to residents both services must be operational from 1 November 2016. To this end the council is seeking to maintain the existing service provision by continuing with the sub-contractor, Agilisys Ltd.

## **2. RECOMMENDATIONS.**

- 2.1. That the council award a contract to Agilisys Ltd for daytime and out of hours contact centre services, commencing on 1 November 2016 initially for 12 months, with an option to extend for a further 12 months, based on the same terms and conditions as those set out in the HFBP Services Contract.
- 2.2. That the council award a contract to Agilisys Digital for the online My Account portal, commencing on 1 November 2016 initially for 12 months, with an option to extend for a further 12 months, based on the same terms and conditions as those set out in the HFBP Services Contract.
- 2.3. To note that the contact centre services require unbudgeted growth, which is to be funded by virement from unallocated contingencies. In addition a specific budget is to be created for the My Account services within Corporate budgets (it has in the past been funded from corporate unearmarked funds).

- 2.4. To delegate the commercial close of the contracts to the Cabinet Member for Commercial Revenue and Residents' Satisfaction.

### 3. REASONS FOR DECISION

- 3.1. The recommended approach allows maximum flexibility to develop these services further in a considered way that is in line with the overall strategy for residents' satisfaction. The proposed approach will maintain the current level of service provision, which meets the council's performance indicators and delivers a customer satisfaction score in excess of 95%.
- 3.2. The service transformation work will be delivered via the customer programme commencing in May 2016 and includes conducting a procurement exercise for online portal services and exploring shared service delivery for contact centre services with another West London Borough.

### 4. OPTIONS AND ANALYSIS OF OPTIONS

#### **CORPORATE CONTACT CENTRE**

Three options for the provision of the contact centre have been explored and two have been dismissed. The summaries below outline the options considered.

#### ***Option 1: Procure a new service from the market***

<b>Description of Option</b>	<p>The provision of contact centre services would continue to be delivered by a private sector provider.</p> <p>Engage with contact centre services providers in the definition of a suitable specification to take to the market.</p> <p>Undertake a mini-competition using a DWP contact centre services framework to obtain prices for the services.</p> <p>The option to run an open competition was rejected because there was insufficient time to run a full OJEU compliant procurement exercise and ensure service continuity from 31 October 2016.</p> <p>Evaluate submissions against specification and decide whether to make an award or not.</p>	
<b>Benefits of Option</b>	<b>Option Risks and Issues</b>	
<ul style="list-style-type: none"> <li>• Market competition should drive better prices, improved outcomes and stronger contractual arrangements for the council.</li> <li>• A new contractual arrangement could support the council in their transformation objectives for customer services.</li> </ul>	<ul style="list-style-type: none"> <li>• Current telephony requirements are too limited and not attractive to the market</li> <li>• Limited market engagement – only 4 out of 6 suppliers expressed interest and only 1 out of 6 suppliers submitted a tender</li> <li>• Submitted tenders were not</li> </ul>	

	<p>affordable</p> <ul style="list-style-type: none"> <li>• Significant change if a new supplier is selected, which presents a risk to the council during a period of significant ICT change</li> </ul>
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**Table 6: Option 1 Analysis Summary**

- 4.1. To evaluate option (1) a mini-competition was conducted using the Contact Centre Services Framework agreement provided by the Department for Work and Pensions (DWP).
- 4.2. The competition was conducted under two lots (lot 1- daytime services only, lot 2-combined daytime and OOH services) to obtain prices for delivery of a three-year contract commencing 1 November 2016.

**Option 2: Bring the service in house**

<b>Description of Option</b>	<p>A new H&amp;F corporate contact centre would be established at the Hammersmith Town Hall.</p> <p>The new contact centre will provide services for telephone calls and digital contacts from Monday – Friday 0900-1700 for the following services:</p> <ul style="list-style-type: none"> <li>• Switchboard</li> <li>• Electoral Services</li> <li>• Cleaner Greener</li> <li>• Environment Services</li> <li>• Family Information Service</li> <li>• Registrars/NCS</li> </ul> <p>The proposed multi-skilled team would handle the full range of customer contact for the service lines above on a day-to-day basis service and would employ 14.5 FTE at the start of the service and seek to reduce this to 9.5 FTE over a two year transition period.</p> <p>The proposed service would be subsumed into an existing staff structure under the Head of Customer Services.</p> <p>OOH services would be procured from the CHSS Framework and provided by GDIT.</p>	
<b>Benefits of Option</b>	<b>Option Risks and Issues</b>	
<ul style="list-style-type: none"> <li>• Increased customer satisfaction: A council run contact centre will ensure customers are treated in a way that is empathetic, proactive and joined up, and which delivers an outcome that is clear, swift and fair.</li> </ul>	<ul style="list-style-type: none"> <li>• H&amp;F will be going through extensive change in October 2016, adding further change to that will increase complexity and risk</li> <li>• ICT will likely be changing the</li> </ul>	

<ul style="list-style-type: none"> <li>• Increased Council control: Bringing the delivery of the daytime services to the council will increase the day-to-day control that the council has over this service. This will range from making improved strategic decisions about customer contact to closer monitoring of performance and resident satisfaction.</li> <li>• Increased flexibility and responsiveness: The proposed delivery model gives the council greater flexibility to increase and decrease the level of service in relation to service needs, without incurring expensive variance costs.</li> <li>• Potential for future savings by consolidating other contact services into the Contact Centre: With increasing need to provide a coherent experience for H&amp;F residents, the proposed delivery model offers an opportunity to migrate new services into the contact centre over time. This has the potential to reduce costs for the council and contribute to on-going improvements to resident services.</li> <li>• Transforming services: With the council having direct control, and staff having immediate impact on the service, provides greater ability to transform service delivery in a responsive and inclusive manner.</li> </ul>	<p>platform for telephony, the Comms hub (moving floors) and other key telephony and network infrastructure in the same timeline, plus every other moving part in ICT during the coming year means that this project which depends on all that critical infrastructure is extremely high risk.</p> <ul style="list-style-type: none"> <li>• H&amp;F will have very limited ICT resource available during the transition period – H&amp;F continue to receive ICT from HFBP and this will only meaningfully transition to the shared ICT service on 1 November.</li> <li>• If the new service is unable to drive a reduction in call volumes by effectively promoting and shifting contact to online services it will impact the level of staffing required. In turn this will impact the costs of the service, potentially increasing costs.</li> <li>• There is a risk that undefined costs might be incurred related to pensions and possible redundancies.</li> <li>• If a service launches consisting of mainly new staff there is a risk of drop in performance as the new staff learn the processes.</li> </ul>
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**Table 7: Option 1 Analysis Summary**

- 4.3. To evaluate option (2) a Service Review Team explored the organisational, technical and financial implications of creating a new service delivery model for daytime and OOH services. The model explored consists of an H&F run daytime contact centre and OOH service provided by GDIT.
- 4.4. Following evaluation of the proposal by HFBB it was recommended to the customer programme board that the council does not proceed with bringing the service in house because the transition project presents too high an operational risk. This recommendation was accepted.

### **Option 3: Award a contract to Agilisys Ltd**

<b>Description of Option</b>	<p>The provision of contact centre services continues as is for an initial 12 months via a new contract with Agilisys Ltd.</p> <p>Corporate contact centre services will therefore continue to be managed and delivered by the team in Rochdale.</p> <p>The contract management will revert to the head of customer services.</p> <p>There will be no transition costs incurred.</p> <p>The contact centre contract will be for an initial period of 12 months with an option to extend by a further 12 months</p>
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**Table 8: Option 1 Analysis Summary**

- 4.5. Following evaluation this report is recommending option 3 to Cabinet for agreement.

#### **ONLINE CUSTOMER PROVISION**

- 4.6. The council has co-developed, as part of a previous customer programme, an online “My Account” portal since November 2010. There are approximately 167,000 successful customer transactions each year.
- 4.7. The council is seeking to maximise the opportunity to transform its online services and is currently considering the options for this provision. It is expected that the council will seek to procure and develop online services to build on and enhance the existing provision.
- 4.8. Feedback from other local authorities and experience with the existing online My Account Portal suggest that to procure and implement an appropriate solution can take up to 18 months.
- 4.9. There is considerable risk in under taking any significant changes to the existing services during the transition period at the end of the HFBP contract on 31 October 2016.
- 4.10. Allowing a 12 month contract gives the council an appropriate amount of time to evaluate the available options in a considered manner and implement a solution with minimal disruption to residents. A review with service leads of the current provision indicates high levels of risk if the service does not continue that might result in back office resources being required to fulfil requests that the online services currently cover.
- 4.11. Following the review with services it is recommended to Cabinet that a contract is awarded to Agilisys Digital to maintain service continuity whilst the council develops its future solution.

#### **5. CONSULTATION**

- 5.1. As part of a service review process, key stakeholders were involved and were able to contribute to the discussions on the potential options.
- 5.2. The review team met with service representatives to discuss the current provision of contact centre services, their requirements of the future service and the opportunity to transform telephony services.

## **6. EQUALITY IMPLICATIONS**

- 6.1. No risk of negative equality impacts have been identified arising from the recommendation of this report to award a contract to Agilisys Ltd to provide the Contact Centre and My Account services.
- 6.2. The impacts on the residents of the borough and therefore those individuals or groups having one or more of the protected characteristics is expected to be directly neutral as the new contract arrangement will provide an equivalent level of service to the current provision.
- 6.3. Equality impacts verified by David Bennett – Head of Change Delivery (Acting) – 0208 753 1628

## **7. LEGAL IMPLICATIONS**

- 7.1. As set out in the exempt report on the exempt Cabinet agenda.
- 7.2. Implications verified/completed by: Kar-Yee Chan, Solicitor (Contracts), Shared Legal Services, 020 8753 2772

## **8. FINANCIAL AND RESOURCES IMPLICATIONS**

- 8.1. As set out in the exempt report on the exempt Cabinet agenda.
- 8.2. Implications verified/completed by: Gary Ironmonger, Finance Manager Strategic Finance, Tel 2109.

## **9. IMPLICATIONS FOR BUSINESS**

- 9.1. The preferred option does not further impact on local businesses.

## **10. RISK MANAGEMENT**

- 10.1. Financial Corporate Services maintains a register of risks that are reviewed periodically by the Senior Management Team. Risks are monitored and if required nominated for escalation onto the Council's Shared Services Risk Register. The Shared Services Risk Manager concurs with paragraph 1.9 of the report specifically ensuring business continuity and resilience is maintained. Business Continuity is a corporate strategic risk and as such is noted on the Council's Shared Services Risk Register, risk number 6.
- 10.2. Implications verified by: Michael Sloniowski, Shared Services Risk Manager telephone 020 8753 2587.

## **11. PROCUREMENT IMPLICATIONS**

- 11.1. A prior waiver of the requirement to seek competitive bids is required in accordance with Section 3 of the Contract Standing Orders which states that prior approval has to be obtained for contracts with contract values in excess of £100,000 and agreed by the Cabinet Member and the Leader of the Council.
- 11.2. Implications verified/completed by: Robert Hillman, Procurement Consultant, x1538.

## **12. IT STRATEGY IMPLICATIONS**

- 12.1. Extending the Council's existing Contact Centre and Online provision for a short period will de-risk the wider HFBP transition programme and allow time for strategic solutions to be developed.
- 12.2. The shared IT service will continue to work with LBHF, and the new Interim Director of Resident Satisfaction to identify a future "My Account" capability which supports the full range of access channels including workforce mobility.
- 12.3. Implications verified by Ben Goward, Head of Digital.

### **LOCAL GOVERNMENT ACT 2000** **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	None		

**LIST OF APPENDICES:** None