

MUNICIPAL YEAR 2020/2021 REPORT NO.

MEETING TITLE AND DATE:

DELEGATED AUTHORITY REPORT OF:

Sue Nelson
Director of Customer
Experience

Agenda – Part:	Item:
Subject: Civica on Demand telephony contract extension	
Wards: All	
Key Decision No: KD 5138	
Cabinet Member consulted: Cllr Maguire	

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1. EXECUTIVE SUMMARY

- 1.1 The current call off agreement for Civica On Demand Services takes the Council to May 2021 and there is no facility to extend. The current term of the Kingston Framework ends on 31st October 2022. The framework gives the Council the right to call off for a further two years. This report seeks approval to agree a two-year call off agreement from the 30th April 2021 to the 29th April 2023.
- 1.2 The cost would be split between the Customer Services Centre, Income and Debt and Financial Services.

2. RECOMMENDATIONS

- 2.1 Approval is sought to use the single provider Kingston Framework to make a new call off to Civica On Demand for the provision of Revenues and Benefits telephony services between the 30th April 2021 to the 29th April 2023.
- 2.2 A review of the current contract with a view to in sourcing in the longer term, takes place in late 2021, and that through the life of this contract, tier one services currently delivered by Civic on Demand are gradually increasingly delivered by the Council.

3. BACKGROUND

- 3.1 In November 2016 the Council entered into a contract through the Kingston Framework with Civica on Demand to provide telephony support for the

council tax and benefit service. The current term of the call off agreement is due to end in May 2021. It is recommended that a two year call off agreement under the Kingston Framework is evoked. This is being reviewed now as part of the proactive Contract Register Review, to allow all options to be considered. It is felt in the current climate that to remain with Civica on Demand, represents the best option for the Council.

Prior to the Civica on Demand service the telephony service was as follows:

- Council tax and housing benefit customer calls were predominantly routed via the 0208 379 1000 customer service centre number.
- When ringing, customers selected option 2 for council tax and benefits and were put through to a specific IVR product provided by Inform Communications PLC which offered the customer different options to make a payment, self-serve or speak to an operator.
- If an operator was selected calls were routed back to a customer service adviser within the customer service centre who could provide basic 'Tier 1' advice.
- If customer services are unable to assist, customers were transferred to Civica on Demand to deal with general 'Tier 2' level enquiries.
- If Civica on Demand were unable to deal with the call the customer was transferred to the council tax team for 'Tier 3' specialist enquiries

3.2 The previous service did not provide the level of service required as:

- The IVR service was out dated, expensive and frustrated or delayed customers without adding any value.
- The customer service centre had a high turnover of staff which made it difficult to provide fully trained staff for this technical area. There were delays in getting through to the team and some quality issues regarding advice given.
- The handover to Civica on Demand took up to 60 minutes as the service was under resourced
- Callers transferred to Tier 3 faced further delays as this line was also under resourced.

Prior to Civica on Demand, there were a high level of complaints regarding the telephony service, delays in getting through and some poor-quality advice.

3.3 The combined overall cost of the service previously was approximately £600k.

3.4 In April 2018 it was decided to give the whole telephony service to Civica on Demand and the following improvements have been made:

- One telephone number is able to deal with Tier 1, 2 and 3 level customer enquiries. Any enquiries that can't be dealt with at first point of contact are referred back to the council for a call back.
- Over £103k calls answered (92k from May 19 to Feb 20)
- Performance has improved with average call answering rates of 94%
- Calls analysed by nature of the call e.g. benefit change of circumstances, council tax move in or out
- The quality of advice provided has improved
- Complaints reduced to minimal level
- Customised IVR introduced to reduce wait times
- Average call handle time 8:21 minutes in 2018/19 (7:28 for year 2 to date)

3.5 In January 2019 a contract variation was signed to agree a lower average call handling target of 88% because call volumes had been above the agreed levels in the contract incurring a surcharge of £57k in year one. Average call handle times consistently have been above the agreed 6 minutes.

3.6 The costs to date are:

Year 1 £489,000 plus £57,000 call variation costs = £546,000
 Year 2 £439,000 plus £14,048 rpi % age increase = £453,048
 Year 3 (est) £453,048 plus £14,498 rpi = £467,546

3.7 During 19/20 Civica on Demand took 112,342 Revenues and Benefits calls (62,871 Revenues and 47,786 Benefits) of which 30% are the types of calls that will reduce the call volumes as a result of more online functionality. We will look to insource calls relating to the navigation of this functionality, using contact centre staff. The types of calls this relates to are:

CTAX - Applying for Discounts & Exemptions
CTAX - Checking status of Discounts & Exemptions
CTAX - Change of Address (Move in or Out)
CTAX - Create or amend Direct Debit
CTAX - Change Payment Method
CTAX - Refund Request/Transferring payments
CTAX - Balance Query
CTAX - Copy Letter or Bill
BENS - Change In circumstances (Income, household, address)
BENS - Change of Payee
BENS - Report a Fraud
BENS - Copy Letter, notifications or application
BENS - Name/Contact details change
BENS - Chasing Change of Circumstances

4. THE TWO-YEAR CALL OFF AGREEMENT

- 4.1 The cost of a new two-year call off agreement is up to a maximum of £528,220 for the first year and £528,220, for the second.

This is a reduction on the original quotation of £63,560 and is limited to 30th June 2020.

This provides for:

- 88% calls answered measured on a monthly basis
- A maximum annual volume of 134,266 calls across the three service lines with an Average Handle Time (AHT) of 7.5 minutes per call.

Month	Volume	Ave Handling time
May-21	12084	90627
Jun-21	10947	82101
Jul-21	12096	90718
Aug-21	9504	71283
Sep-21	11295	84711
Oct-21	14013	105095
Nov-21	10941	82058
Dec-21	8641	64805
Jan-22	11313	84846
Feb-22	10629	79719
Mar-22	11244	84332
Apr-22	11560	86701
Total	134,266	1,006,994

- Volume variation charges for a 5% increase or a 25% reduction in call volumes

- 4.2 Enfield's call volumes remain high due to:

- the continued delay in the transfer of working age housing benefit claimants to Universal Credit;
- lack of on-line options for council tax and benefit service
- the increased level of deprivation in the borough
- increased level of council debt due to welfare reform

- 4.3 The estimated staffing cost of providing the service in-house would be around £650k (15 sc6 officers and 2 x SO 2 training officers). This does not take into account accommodation, IT and other costs which may be incurred.

5. ALTERNATIVE OPTIONS CONSIDERED

Option 1 – Provide the service in-house

While considering in sourcing for the longer term we need to ensure that the needs of our customers, particularly during this time of challenge and increased financial hardship, are met. The estimated staffing cost of providing the service in-house would be c£650k (15 sc6 officers and 2 x SO 2 training officers). This does not take into account accommodation, IT and other costs which may be incurred. To create a viable team the council would need to start recruitment and training at least 6 months prior to contract start date creating additional costs. There is also a lack of management capacity within the in-house teams to manage this key project and a high risk of service failure at go live.

Given the current Covid-19 situation it would be too risky to divert staff from the increased demands on the service to focus on an insourcing programme. It is likely that the effects of the Covid-19 situation will be felt for more than 1 year; which is why a new two-year call off agreement is recommended.

Option 2 – Tender the service

This option would require substantial project management resource to meet the necessary deadlines. Market intelligence from other boroughs suggests that Revenues and Benefits service providers do not have the expertise to view Civica Open Revs and EDMS document management systems used at Enfield. As a call off option exists this option would appear high risk.

Given the current Covid-19 situation it would be too risky to divert staff from the increased demands on the service to focus on a full EU procurement exercise, and 'on-boarding' of a new provider.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The reasons for the recommendations are to maintain the customer service at the same standard without any serious service failure. By actioning now; it ensures that plenty of time is allowed for the call off of the agreement, and to follow due governance.

The Kingston Framework is still open until October 2022; and therefore, is a compliant route to market to access the Civica On Demand service. Due diligence has been carried out by the Procurement and Commissioning Hub to ensure that this is a compliant and legal framework.

7. COMMENTS FROM OTHER DEPARTMENTS

Financial Implications

There is a Customer Service (CC0003) budget provision of £510k to fund the costs of the new two year call off agreement of £528k per annum. The additional cost of £36k over the two-year period will need to be met across the existing Customer Service, Income and Debt Team and Financial Assessments Team budgets. Although this is an increase in cost compared with the cost of £450k in 2019/20, this is due to a 2.5% RPI increase and due to an increase in workload absorbed under this new agreement.

Legal Implications

The content of this report constitutes a Key Decision and this item has been included in the Key Decision List reference: KD5138. Once approved the decision to proceed will be subject to the usual five-day call-in period.

The Council, under s.111 Local Government Act 1972 has power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The Council also has a general power of competence under s.1(1) Localism Act 2011 to do anything that individuals generally may do, provided it is not prohibited by legislation and subject to Public Law principles.

The value of the contract exceeds the relevant EU threshold, which means that the Public Contracts Regulations 2015 (PCR 2015) apply to the procurement. The use of a framework is a compliant route to award, provided that the procurement process complies with the PCR 2015, the Council's Contract Procedure Rules (CPR), and the terms of the framework itself. The P&C Hub carried out due diligence on the framework.

The Council will need to ensure that it obtains Best Value for the services as required under the Local Government Act 1999. Where a single supplier framework is to be used, the evidence that this provides the Best Value must be provided to the P&C Hub prior to approval (CPR 4.1.2).

The terms of the contract procured must be consistent with the framework, and in a form approved by the Director of Law and Governance.

In respect of any contract with a value of £1m and over (as is the case here), the Council's CPRs (s.1.18) state that the contractor must be required to provide sufficient security. 'Sufficient security', means one of the following: (i) parent company, ultimate holding company or holding company guarantee where their finances prove acceptable; (ii) director's guarantee or personal guarantee where their finances prove acceptable; (iii) performance bond, retained funds or cash deposit; or (iv) any other security as determined by Financial Management Services and/or Legal Services. Evidence of the form of security required or why no security was required must be stored on the E-Tendering Portal for audit purposes. The Council

should liaise with the Procurement & Commissioning Hub for assistance on this.

Procurement Implications

Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).

The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.

All awarded projects must be promoted to Contracts Finder to comply with the Government's transparency requirements.

Any framework must be accessed in accordance with the Framework rules, and the terms and conditions of the framework used. Due diligence has been carried out on the Kingston Framework and is legally compliant and accessible to Enfield Council.

Imps provided by C E Reilly 01/04/2020

Property Implications

N/A

8. KEY RISKS

The main risk to the extension is service failure but given the success of the current service provision this is a low risk.

9. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

9.1 Good homes in well-connected neighbourhoods

The telephony service supports all Council priorities and helps the vulnerable.

9.2 Sustain strong and healthy communities

Council housing, temporary accommodation and Housing Gateway homes provide support for the most vulnerable in our community

9.3 Build our local economy to create a thriving place

Minimising debt by maximising benefit take up will help the local economy.

10. EQUALITIES IMPACT IMPLICATIONS

10.1 N/A

11. PERFORMANCE AND DATA IMPLICATIONS

12. HEALTH AND SAFETY IMPLICATIONS

N/A

13. HR IMPLICATIONS

13.1 N/A.

18. PUBLIC HEALTH IMPLICATIONS

18.1 Managing debt and benefits calls is an important part of avoiding debt issues and contributes to the general well-being of residents

Background Papers

N/A