

# Agenda

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## Value and Performance Scrutiny Committee

Date: **Thursday 5 January 2012**

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Time: **5.00 pm**

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Place: **St Aldate's Room, Town Hall**

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# Value and Performance Scrutiny Committee

## Membership

<b>Chair</b>	<b>Councillor Stephen Brown</b>	Carfax;
<b>Vice-Chair</b>	<b>Councillor Scott Seamons</b>	Northfield Brook;
	<b>Councillor Mohammed Abbasi</b>	Cowley Marsh;
	<b>Councillor Michael Gotch</b>	Wolvercote;
	<b>Councillor Rae Humberstone</b>	Blackbird Leys;
	<b>Councillor Bryan Keen</b>	Cowley;
	<b>Councillor Sajjad Malik</b>	Cowley Marsh;
	<b>Councillor Stuart McCready</b>	Summertown;
	<b>Councillor Mike Rowley</b>	Barton and Sandhills;
	<b>Councillor Gwynneth Royce</b>	St. Margaret's;
	<b>Councillor Oscar Van Nooijen</b>	Hinksey Park;
	<b>Councillor David Williams</b>	Iffley Fields;

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## AGENDA

**Pages**

1 **APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

2 **DECLARATIONS OF INTEREST**

3 **OUT OF HOURS CALL HANDLING CONTRACT**

1 - 14

<b>Background information</b>
The Council has an existing contract with an external supplier to provide out of hours calls service. The contract has now expired and needs to be renewed. The City Executive Board, on 7 December, took a decision to grant project approval to award a new contract (full decision at page 1 of the agenda).
<b>Why is the item on the agenda?</b>
The decision of the City Executive Board taken on 7 December 2011 has been called-in by Councillor Fooks with support from Councillors Wilkinson, Rundle and Campbell.  Councillor Fooks has given the following reasons for her call-in:- <ul style="list-style-type: none"><li>• Report was “vague”</li><li>• The report delegates the decision to officers with “no member input”</li><li>• Anxious to avoid poor service with the new contact.</li><li>• Would like to see what safeguards are in place to avoid poor performance in new contract.</li></ul> Attached to this agenda is: <ul style="list-style-type: none"><li>• The minute extract of the City Executive Board meeting</li><li>• The report considered by the Board on 7 December</li><li>• An additional report which was previously considered by the Council’s Management Team. This report provides further information on the rationale for the officer’s recommendations and should assist the Committee’s deliberations.</li></ul>
<b>Who has been invited to comment?</b>
Helen Bishop (Head of Customer Services) and Karen Tarbox Customer First Programme Manager) will attend the meeting.  Councillor Fooks will attend the meeting to discuss her reasons for calling in the decision.
<b>What will happen after the meeting?</b>

There are 2 possible courses of action for the committee:

- To disagree with the call-in which will mean the original City Executive Board decision is made at this point
- To agree wholly or partly with the call-in and report to the next City Executive Board giving reasons and asking for reconsideration. The decision will not be made until the City Executive Board reconsideration

Should this be necessary, an additional meeting of the City Executive Board will be arranged.

#### **4 DATES OF FUTURE MEETINGS**

The following dates were noted:-

30 January 2012

26 March 2012

## **DECLARING INTERESTS**

What is a personal interest?

You have a personal interest in a matter if that matter affects the well-being or financial position of you, your relatives or people with whom you have a close personal association more than it would affect the majority of other people in the ward(s) to which the matter relates.

A personal interest can affect you, your relatives or people with whom you have a close personal association positively or negatively. If you or they would stand to lose by the decision, you should also declare it.

You also have a personal interest in a matter if it relates to any interests, which you must register.

### **What do I need to do if I have a personal interest?**

You must declare it when you get to the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you. You may still speak and vote unless it is a prejudicial interest.

If a matter affects a body to which you have been appointed by the authority, or a body exercising functions of a public nature, you only need declare the interest if you are going to speak on the matter.

### **What is a prejudicial interest?**

You have a prejudicial interest in a matter if;

- a) a member of the public, who knows the relevant facts, would reasonably think your personal interest is so significant that it is likely to prejudice your judgment of the public interest; and
- b) the matter affects your financial interests or relates to a licensing or regulatory matter; and
- c) the interest does not fall within one of the exempt categories at paragraph 10(2)(c) of the Code of Conduct.

### **What do I need to do if I have a prejudicial interest?**

If you have a prejudicial interest you must withdraw from the meeting. However, under paragraph 12(2) of the Code of Conduct, if members of the public are allowed to make representations, give evidence or answer questions about that matter, you may also make representations as if you were a member of the public. However, you must withdraw from the meeting once you have made your representations and before any debate starts.



## **Minute Extract – 7 December 2011 – City Executive Board**

### **55. OUT OF HOURS CALL HANDLING CONTRACT**

The Head of Business Improvement submitted a report (previously circulated, now appended) making recommendations for the procurement of an out of hours calls service and lone worker monitoring system.

#### **Resolved to:-**

- (1) Grant project approval for the provision of out of hours call handling and a lone worker monitoring system; and
- (2) Delegate authority to the Executive Director for City Services to enter into new out of hours call handling and lone worker monitoring contract(s) for the next 3 years with the possibility of a further 2 year extension.

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**To:** City Executive Board

**Date:** 7 December 2011

**Report of:** Head of Business Improvement

**Title of Report:** Award of contract for the provision of an Out of Hours Call Handling Service and Lone Worker Monitoring System to the Council.

### Summary and Recommendations

**Purpose of report:**

To grant project approval and delegated powers to the Executive Director for City Services to award a contract for the provision of an out of hours call handling service and lone worker monitoring system.

**Key decision? No.**

**Executive lead member: Councillor Val Smith.**

**Policy Framework: An efficient and effective Council.**

**Recommendation(s):**

- 1) Grant project approval for the provision of out of hours call handling and a lone worker monitoring system.
- 2) Delegate authority to the Executive Director for City Services to enter into new out of hours call handling and lone worker monitoring contract(s) for the next 3 years with the possibility of a further 2 year extension.

## 1. Summary

- 1.1 This report sets out the procurement route being undertaken to appoint a supplier(s) to provide an out of hours call handling service and / or a lone worker monitoring system to the Council.

## 2. Background

- 2.1 The Council currently has a contract with the Johnnie Johnson Housing Trust, trading as Astraline, for both the provision of an out of hours calls handling and lone worker monitoring system. This contract is currently used by Oxford City Council, West Oxfordshire District Council & Cotswold District Council, The Vale of White Horse District Council and South Oxfordshire District Council.
- 2.2 The out of hours call handling service operates between the hours of 6pm and 8am (4.30pm on a Friday including weekends). There is provision in the current contract to extend these hours to accommodate bank holidays and other events.
- 2.3 Previously both services were provided by Oxford City Council via the call centre located at Beckley View. The Councils needed to find another provider of these services, at relatively short notice, by September 2010. Due to the value of the contract and the requirements of Council standing orders and EU procurement law, it was only possible to put in place an interim 1 year contract.
- 2.4 The current contract expires at the end of September 2011. The Procurement Team is tendering this contract on behalf of the named authorities in 2.1, with the additional option of Cherwell and South Northamptonshire District Councils being able to use the contract if they so wish. The procurement team together with an officer panel from the client service are in the process of re-tendering these requirements.
- 2.5 The Council spends approximately £17,000 a year on these services split as:

Out of Hours Call Handling	£9,000
Lone Worker Monitoring Service	£8,000
<b>Total</b>	<b>£17,000</b>

Since October 2010, the volume of out of hour's calls that have gone through the current supplier is 3617.

## 3. Tender Process

- 3.1 The value of this contract is likely to exceed the EU Procurement Regulations for goods and services over the life of the contract and necessitates an EU compliant procurement process. In addition to advertising the contract in the Official Journal of the European Union (OJEU) this tender has been advertised via the South East Business Portal and the Council's website. The Council is carrying out a restricted tender (two stage process) and is currently awaiting the return of tenders from up to 14 suppliers.

- 3.2 The evaluation panel includes members of Procurement, the Customer First Programme Manager, the Licensing and Development Manager and representative officers from the other Councils. The financial suitability of the tenderers is being assessed by the Finance Team.
- 3.3 The evaluation panel have determined the relevant financial and technical evaluation criteria that will provide the most economically advantageous contract. Contractors must demonstrate that they are technically and operationally competent and are able to meet the specification in their tender proposal and meet the Council's requirements in relation to the Living Wage and sustainability.
- 3.4 The tender has been offered as two lots: provision of an out of hours call handling service and lone worker monitoring system. Tenderers may bid for any or both of the lots according to their expertise in providing these services.
- 3.5 The new contract will be put in place for three years, with the potential for a further two year extension at the sole discretion of the Council. Although the terms and conditions will be common to all Councils, each Council will have a separate contract with the supplier(s).

#### **4. Savings**

- 4.1 Tenderers have been requested to submit proposals which include ideas for reducing the cost of call handling and lone worker monitoring.

#### **5. Other Options**

- 5.1 The Constitution and Procurement Strategy requires officers to advise what other options are available before giving project approval and awarding a contract of over £100K. These are detailed below:

**Continue as we are** - The current Out of Hours Call Handling and Lone Worker Monitoring contract is due to expire at the end of September. To remain compliant and ensure best value is achieved, the Council is obliged to make provision for a replacement contract.

**Use an existing contract or framework set up by another organisation** - There is no suitable contract that meets the needs of the Councils.

**Oxford City Council provides both services in house** - Oxford City Council investigated the possibility of providing these services in-house; however, with the benefit of financial scrutiny, it was proved that it would not be cost effective to do so.

## 6. Benefits of this Contract

- 6.1 The tender process will enable bidders to submit competitive pricing and tailor their offers to meet the Council's requirements. The contract will also require the provider to meet the Council's policy requirements.

## 7. Financial Implications

- 7.1 Customer Services currently hold sufficient budget to tender this contract and the tender price is not expected to exceed the amount spent last financial year, however this will be considered as part of the evaluation process.

The lone worker monitoring budgets are currently devolved across the service areas using this service. Going forward we will investigate the contract monitoring benefits of centralising the lone worker monitoring budgets within Customer Services.

## 8. Legal Implications

- 8.1 This contract is being tendered in accordance with the Council's Constitution and appropriate procurement law.

## 9. Climate Change/Environmental Impact

- 9.1 Tenderers will be asked how they are able to contribute to the Council's carbon reduction policy.

## 10. Equalities Impact

- 10.1 There are no equalities implications.

## 11. Risk

11.1

<b>Risk</b>	<b>Likelihood</b>	<b>Mitigation</b>
Pricing comes in at a higher rate than the Council is currently paying.	H	Customer Services has anticipated that this may be the case and has allocated an increased budget for the service.
There is a much higher usage of the out of hours call handling service than in previous years.	L	It is anticipated that the increased budget allocation will cover any modest increases.

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## **Oxford City Council Out of Hours Emergency Services and Lone Worker Monitoring Services**

### **1. Purpose of Report**

To provide CMT with an update of the current and planned arrangements for the provision of the Out of Hours emergency telephone response services and Lone Worker monitoring arrangements and to provide details of the quality assurance included in the invitation to tender for the future provision of these services.

### **2. Recommendation**

It is recommended that CMT:

1. note the detail within the report
2. recommends submission of a follow up report for Single Member decision regarding the procurement process.

### **3. Background**

The Council currently has a 1 year contract (extended to 3<sup>rd</sup> January 2012 pending completion of the current procurement process) with the Johnnie Johnson Housing Trust, trading as Astraline, for both the provision of out of hours call handling service and lone worker monitoring system. This contract is currently used by Oxford City Council, West Oxfordshire District Council & Cotswold District Council, The Vale of White Horse District Council and South Oxfordshire District Council.

Previously both services were provided by Oxford City Council via the call centre located at Beckley View. The Councils needed to find another provider of these services, at relatively short notice, by September 2010. Due to the value of the contract and the requirements of Council standing orders and EU procurement law, it was only possible to put in place an interim 1 year contract.

In respect of the service provided on behalf of Oxford City Council this primarily relates to Environmental Development; Noise, Anti Social Behaviour, Stray / Lost Dogs etc

The out of hours telephone service with Astraline does not include emergency Homelessness, Housing Repairs or Recycling, Waste, Streecare and Transport, as these services continue to be provided by Oxford City Council employees as appropriate. However, if Astraline receive calls for any of these services inadvertently, then they will redirect callers to the appropriate service and they will handle non-emergency calls. Astraline have also provided additional back up services on occasion to ensure business continuity – e.g. during maintenance of the Council's telephone system.

The out of hours call handling service operates weekdays between the hours of 6pm and 8am (4.30pm on a Friday) and including weekends. There is provision in the current contract to extend these hours to accommodate bank holidays and other events e.g. during the Christmas closing period.

The Council's one number – 249811 provides customers with four options between 6pm and 8:00am weekdays and during weekends and bank holidays. (Options 1 & 2 can also be accessed via the Direct Services free-phone number):

Option 1 – for recycling, waste, street care and transport (OCC)

Option 2 – for tenant or leaseholder enquiries / repairs (OCC)

Option 3 – to make an automated payment (automated)

Option 4 – for Noise or dog warden (Astraline)

Selecting one these options will seamlessly transfer the caller to the appropriate emergency service. Information regarding the number to dial for emergency homeless enquires is also provided.

Nb. Calls transferring to Astraline are forwarded by the Council's contact centre telephone system and as such there is no additional cost to the customers.

#### **4. Customer Service, Volumes and Customer Satisfaction**

Early implementation of the contract did result in some customer service issues, including long wait times and some misdirected calls. This was particularly prevalent during the bad weather in Dec 2010 and Jan 2011, when Astraline received a significant increase (50%) in calls volumes and at a time when they were also dealing with the impact of severe weather. However whilst service levels were reduced, the service was maintained at all times and a number of measures were subsequently put in place to mitigate against a similar future event. e.g. implementation of a generator to ensure power can be maintained and access to additional human resources such as via home working.

In January 2011 the Customer First Programme Manager – Karen Tarbox and Licensing and Development Manager – Tony Payne attended Astraline offices to carry out further training with all staff in relation to service processes. Since this time we have continued to work with Astraline to improve the quality of service, which has improved significantly.

Daily logs are received regarding the enquiry or service request and any follow up action is taken by the appropriate service department. Monthly reports are received regarding the number of calls received and the speed of answer (example attached)

These can be cross checked against our own call logs, which provide basic information of the number of calls diverted to Astraline. These call logs are also used to match call volume against costs on invoices.

#### **5. Future service provision – Options Considered**

Following the interim arrangements put in place with Astraline, it was necessary for the Council to review the options for continued out of hours telephone response service & lone worker monitoring.



During initial discussions regarding the scope of the Out of Hours and Lone Workers arrangements, 6 potential options were considered:

1. In house provision of all out of hours telephone response services and lone worker monitoring – Oxford City Council only.
2. In house provision for all out of hours telephone response services and lone worker monitoring services – Oxford City Council, West Oxfordshire District Council & Cotswold District Council, The Vale of White Horse District Council and South Oxfordshire District Council.
3. In house provision of all out of hours telephone response services and external provision of lone worker monitoring – Oxford City council only
4. In house provision of all out of hours telephone response services and external provision of lone worker monitoring Oxford City Council, West Oxfordshire District Council & Cotswold District Council, The Vale of White Horse District Council and South Oxfordshire District Council.
5. Continue with existing in house arrangements for out of hours telephone response services and seek an external supplier for Environmental Development out of hours telephone response services and lone worker monitoring.
6. Seek an external supplier to provide all out of hours telephone response services and lone worker monitoring.

#### Options 1 & 2

These options were discounted during initial discussions as it was felt that the organisation did not have sufficient expertise, resource or technical capacity to offer a lone worker monitoring service.

#### Options 3 & 4

Both of these options would require, as a minimum, the set up of a 24/7 operation to include technology, human resources and knowledge management. Based on the expected number of callers this would require approximately 5-6 staff, plus access to supervisor / manager to cover weekday evening shifts and weekend shifts at a total of 104 business hours.

Whilst these options have not been fully costed – staffing for shifts alone are likely to be in the region of £140k p.a. with additional management support costs. If the service was office based there would be additional office costs and related staff costs. Home working would also attract supervisory costs and technology costs. In the design of either operation, business continuity costs would also need to be factored in. Given the cost of the current contract between all parties, this would result in a significant increase in cost for all councils involved and is therefore deemed not cost viable.

#### Option 5

This option would replicate the current arrangements that the Council has in place and it is anticipated that this would be achievable within current budgets.

#### Option 6

It was felt that the current out of hours arrangements for housing repairs, waste and homeless were satisfactory, with costs remaining within the

council. No business need or cost benefits were identified – in fact it was considered that the introduction of a third party to screen calls would likely reduce the quality of service as the operator may not have the skills and expertise to provide advice over the phone. This could result in unnecessary attendance at non emergency situations. This option was discounted on the basis of potential increased costs and reduction in service quality – though neither have been explored through soft market testing.

Whilst the initial consideration included an “in house” bid for Oxford City Council to provide this service both for Oxford City Council and the other Oxford District Council, this was rejected due to indicative costs being higher than those currently be paid within the existing contract and the council not having suitable in house facilities for lone worker monitoring.

Service preference was that existing out of hours services for Housing Repairs, Waste and Homeless would continue to be provided by the Council and that the Out of Hours services for Environmental Development and Lone Worker monitoring, currently provided by Astraline, would be retendered – Option 5.

## **6. Service Quality**

To ensure any future supplier provides a quality service the following requirements have been included in the Invitation to Tender and will form part of the basis of contract:

The Supplier will:

Answer calls from the general public and other services who need to access the Targeted Out of Hours Service from 6.00 pm to 8.00 am the following day (i.e. non office hours), and for the full 24-hour periods on a Saturday, Sunday and Bank Holiday and other dates by arrangement.

Record calls received along with the details of the caller’s name, address and telephone number, the address/description of the premises or location causing the problem, and the nature of the problem.

Screen the calls in accordance with the referral procedure.

Where necessary, refer the call to the Duty Officer as soon as possible via the pager system and provide the Duty Officer with details of the call when he/she phones the Control Centre.

(provision for future recording of service requests into the Council’s CRM system has been discussed with each of the shortlisted suppliers)

Fax/email details of calls received to the appropriate Officer the next working day with the details of the time of the call, the caller’s name, address and telephone number, the address/description of the premises or location causing the problem, the nature of the problem, and if the call was referred to the Duty Officer, the time referred.

Provide monthly reports of call volumes to the service (please see monthly reporting requirements).

Refer any complaints regarding the service delivery to the Service Manager.

Update all records within 24 hours of receiving instruction from the Council

#### Call Handling SLA (service level agreement)

80% of calls answered within 20 seconds with no more than a 5% abandonment rate based on estimated call volumes.

Customer satisfaction at 95%. (A baseline exercise will be required to establish current satisfaction levels – Year 1 target will be 90% moving to 95% by year 2).

#### Monthly Management Reporting Detail

Each Council will require a separate report detailing the following information for each call taken:

Service type e.g housing

Category e.g repairs / register / homeless

Number of calls offered

Number of calls answered (both within and outside of the SLA target)

Abandonment rate

Each Council will conduct its own Customer satisfaction surveys.

#### Penalty Clauses

A scaled reduction in cost has been included in the event of under performance and an agreement that the Supplier and Council will agree a service improvement implementation plan.

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