

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Dylan Jeffrey, Cabinet Member for Communications and Democratic Services

DECISION NO:

24/00101

For publication *[Do not include information which is exempt from publication under schedule 12a of the Local Government Act 1972]*

Key decision: YES

Key decision criteria. The decision will:

- a) *result in savings or expenditure which is significant having regard to the budget for the service or function (currently defined by the Council as in excess of £1,000,000); or*
- b) *be significant in terms of its effects on a significant proportion of the community living or working within two or more electoral divisions – which will include those decisions that involve:*
 - *the adoption or significant amendment of major strategies or frameworks;*
 - *significant service developments, significant service reductions, or significant changes in the way that services are delivered, whether County-wide or in a particular locality.*

Subject Matter / Title of Decision

Contact Centre Procurement

Decision:

- a. **APPROVE** the commissioning of a Contact Centre contract for up to 7 years (December 2025 – December 2032). Initial 4 year term, with the option of 3x one year extensions.
- b. **DELEGATE** authority to the Chief Executive in consultation with the Cabinet Member for Communications and Democratic Services, to take relevant actions, including but not limited to, awarding, finalising the terms of and entering into the relevant contracts or other legal agreements, as necessary, to implement the decision; and
- c. **DELEGATE** authority to the Chief Executive in consultation with the Cabinet Member for Communications and Democratic Services, to award extensions of the contract in accordance with the relevant clauses within the contract.

Reason(s) for decision:

To enable the telephony service to continue to be part of the mix of KCC's customer contact channels. This enables those who cannot access our services online, those who have emergencies and those who require additional support to continue to access our services by phone.

To enable implementation and mobilisation to be completed by December 2025 to ensure continuity and avoid any gaps in provision.

Background

The current contract for KCC's Contact Centre reached its initial break clause in December 2022 and will come to an end in December 2025. Procurement law means that it is necessary to reprocure the Council's provision for telephony services.

How it applies to Framing Kent's Future

- In order to prioritise best value, and similarly to the current contract, the specification has not been prescriptive with regards to the base of the company's location, excepting that it must be within the UK to meet GDPR regulations.
- As with the current contract, this may result in Home Working or Hybrid opportunities for staff employed in the centre, whilst reducing overall costs to the organisation.
- This flexibility affords the Council the ability to reduce current costs as per its targets within the Medium Term Financial Plan, whilst still delivering a telephony service that supports customers both in-hours across a range of services and also out of hours in emergency scenarios.
- The tender seeks providers who are able to implement service transformation opportunities to support KCC whilst driving down call volumes and costs overall. These tools will aim to help people in the most efficient way on their preferred channel. For example, web chat where customers may need online assistance.

How it applies to Securing Kent's Future

- The location of the centre is to be determined pending tender responses but there may be options which favour or explore homeworking and hybrid solutions which will support Net Zero targets and reduce travelling.
- By providing a telephony service, KCC will be acting on resident need, ensuring that those who truly cannot access KCC's services by any other means can continue to do so by phone.
- Whilst supporting those who can, to do so with a potential range of tools that have previously not been available through the Council's contact centre. For example Web Chat, Chat Bots and Telephony AI (dependant on tender responses).
- KCC will continue to support customers to access our services, ensuring that all are able to do so, whilst streamlining our processes to support our front line social workers and professionals.

Finance

- Overall contract costs for year 1 is expected to be no more than £2.5 million, negotiations will be held with potential providers as to the measure of increase for subsequent years.
- Staff are likely be subject to TUPE.
- We are seeking up to a 7 year contract term.
- The estimated total value of the full term of the contract is likely to be between £17.5m and £20m subject to changes in demand and annual inflation pressures. Should call volume demand reduce significantly, the total value of the contract may decrease in line with contractual clauses on gain share.
- The contract will be funded from existing budgets and represents a decrease of an agreed percentage on the current contract value as agreed in the Medium Term Financial Plan.

- Sufficient time is required for implementation and mobilisation to ensure that there is continuation of service. This is a complex operation to migrate and not providing enough time to complete all tasks risks either an interruption of service or a poor quality provision which could lead to the wrong advice being given to public that may lead to a claim.
- At this time, there are unknown costs in relation to KCC pensions and TUPE of staff and these will be clarified during the procurement process.

Legal

- The current contract has been in place for 10 years, therefore there is a legal obligation to reprocure.
- Staff may be subject to TUPE should the current incumbent be not successful or chose not to bid.

EqIA

- An EqIA has been carried out in relation to the impact to customers using the Contact Centre.
- There is a potential with a new contract for new technology to be deployed that hasn't previously been used by the Council (but will have been used elsewhere) for example Web Chat etc which may be preferable to some who may not wish to speak to a member of staff but would like a quick response to a query.
- The council is also committing to retaining a telephony service for emergency calls and for those people who rely on the service to contact the Council.

Cabinet Committee recommendations and other consultation:

Any alternatives considered and rejected:

Other options consider during this process were to re procure, bring the provision back in house, or Direct Award to KCC's LATCO or a hybrid of some of the options. The majority were either more expensive or were considered unviable after initial investigations.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

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signed

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date