

**Report of Head of Customer Contact (Contact Centre)**

**Report to Chief Officer, Customer Access & Welfare**

**Date: 10 January 2020**

**Subject: Waiver of CPR rules 8.1 and 8.2 to award direct contract to Professional Forums Limited to support the embedding of a cultural change programme in the Contact Centre**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number: 1 Proposal for further work	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**Summary**

**1. Main issues**

- The Contact Centre is currently engaged in embedding a high performance culture built around improving the customer experience, identifying process improvements, and engaging colleagues through 'in the moment' coaching and support to staff, which will help drive significant performance improvements. The benefits will include significant positive impacts on staff morale and customer satisfaction.
- Over recent years the reduction in budget has contributed to unrealistic expectations of performance both within and outside of the council. This in turn led to high sickness levels, low staff engagement, and high turnover of staff. Coaching and performance management suffered as a result, and while we have seen improvements (since securing additional temporary funding), further and sustained improvements require a different mind-set and culture.
- The contact centre has engaged a respected professional organisation (Professional Forums Limited - The Forum) to provide best practice case studies; training; coaching to senior managers; and support and advice to senior managers. Through this work, relationships and mutual professional respect has placed this organisation in an ideal position to support the contact centre in embedding the cultural change which is envisioned to move us to the next level.

- Following discussions around how best to move this work forward, The Forum has proposed an approach, which builds on our existing relationship, to help us embed the formal learning and approach we have undertaken into a sustainable way of doing things, i.e. into our culture. The value of this work is £35,000 over a period of 4-6 months. Any other provider would be starting from scratch and would need to take time (and resources) to develop the understanding of where we are now and where we want to be. In addition, they would need time to build the respect of team leaders within the contact centre. The additional time and resource to do this would cause long delays and loss of momentum to the work that is now taking place.

## **2. Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

- The contact centre provides the main access point to a range of services, thus linking to the following council plan priorities:
  - a. Housing: providing access to housing services as both tenants and prospective tenants
  - b. Safe, strong communities: helping those struggling with debt to access appropriate services, responding to those suffering anti-social behaviour
  - c. Child-friendly city: providing access to key services, including safeguarding, children's social care, school admissions
- An efficient, enterprising & healthy organisation: minimising complaints, and improving the reputation of the council as a responsive and accessible council.

## **3. Resource Implications**

- The work should progress much quicker and will result in performance improvements in the contact centre for both customer and employee experience.
- The total value of the work will be £35,000.

## **Recommendations**

- a) Waive CPR numbers 8.1 and 8.2 – Intermediate Value Procurements, using the authority set out in CPR 1.3, to direct award to Professional Forums Ltd. as per the proposal in appendix 1 to help move forward the cultural change in the contact centre, at a cost of £35,000 for a period of 4-6 months. The anticipated start date is 1 February 2020.

## **1. Purpose of this report**

- 1.1 The purpose of this report is to request a waiver of CPRs 8.1 and 8.2 and award a contract directly to The Forum, without seeking competition, for the provision of services to support the embedding of a coaching culture within the contact centre.

## **2. Background information**

- 2.1 The contact centre deals with calls and emails on behalf of 18 services across the council, approximately 72,500 contacts per month. The effectiveness with which these contacts are handled has a significant bearing on the reputation of the council, but also on the appropriate access of residents to various services, and therefore on the health and well-being of residents.
- 2.2 Customer Service Officers (CSOs) are organised in teams, each with an allocated team leader. Team leaders are responsible for the performance of their teams, and so for individuals will cover:
  - a. Productivity
  - b. Attendance
  - c. Quality
  - d. Engagement
- 2.3 The effectiveness of team leaders in undertaking their duties is absolutely key to having a vibrant and high performing contact centre. We are moving from a tightly controlled environment to a more empowering and engaged workforce and this will involve a significant culture change. Team leaders will be at the heart of these changes and key to its success.

## **3. Main issues**

- 3.1 We have already embarked on a training programme for team leaders which has included delivery of bespoke coaching training, social styles training, and use of a new customer survey system. With CSOs we have refreshed our performance scorecards, provided access to customer survey data, and put a fresh emphasis on appraisal discussions.
- 3.2 These changes are making a difference as we have seen a reduction in sickness absence, and an increase in staff engagement. However, there is more to do and we have not successfully embedded a coaching culture. While it is happening, it is sporadic and inconsistent, and has not become the way we do things here.
- 3.3 Support from an external, trusted source will help us to embed the changes, and accelerate this process, building on the many positive improvements over the last year. To date we have used experts in the field of contact centre management, The Forum, to help us on our journey through attendance at network events, conferences, training, and bespoke support around coaching to senior management, training to team leaders on social styles and support of coaching.
- 3.4 We have developed strong mutual trust and professional respect between ourselves and The Forum, and they have a good understanding of our journey and what is most needed at this time. At our request, The Forum produced a proposal for our consideration on helping us embed a coaching culture.

3.5 While it is possible another organisation might be interested in providing professional advice, support, and facilitation to help us embed this new coaching and development culture, they would need to spend significant time upfront to build their own knowledge of how we work, and the culture of shared trust and respect to carry out this work. The cost of a procurement exercise would then likely be more expensive than the cost of the proposals.

#### **4. Corporate considerations**

##### **4.1 Consultation and engagement**

4.1.1 Contact Centre management have discussed the support that is being considered by The Forum and are unanimously of the opinion that this support is needed and will add real value to our direction of travel.

##### **4.2 Equality and diversity / cohesion and integration**

4.2.1 There are no implications for diversity / cohesion and integration, other than our awareness and ability to respond to these are likely to be improved by embedding a strong coaching culture.

##### **4.3 Council policies and the Best Council Plan**

4.3.1 The proposals respond directly to the council objective to have an efficient, enterprising and healthy organisation. The council will benefit from improved reputational image as customers will receive a much better service and view of the council.

###### Climate Emergency

4.3.2 Amongst the benefits that will be realised through the successful implementation of this work, residents will have more queries dealt with at first contact, reducing unnecessary contact. Process improvements should lead to less waste and potentially travel, e.g. contractors carrying out housing repairs on first appointment without needing to re-arrange and have 2 visits.

##### **4.4 Resources, procurement and value for money**

4.4.1 The skills and expertise and capacity to help us embed the coaching culture are not present within the council. The importance of this work and the impact on customer satisfaction and staff engagement more than justify this level of spend in terms of reduced repeat contact, reduced staff turnover and improved productivity.

4.4.2 The cost of employing someone other than The Forum for equivalent work would likely cost considerably more due to the time it would take to come up to speed with the work that is going on at the contact centre and the need to build and maintain high levels of trust and mutual respect with team leaders and management within the contact centre.

##### **4.5 Legal implications, access to information, and call-in**

4.5.1 This is a Significant Operational Decision which is not subject to call-in. The report itself does not contain any exempt or confidential information under the Access to

Information Rules, however the attached appendix 1 is confidential and cannot be published under Access to Information Rule 10.4(3) which relates to commercially sensitive information.

- 4.5.2 The value of the direct award detailed within this report is below the threshold for the application of the Public Contracts Regulations 2015 for the procurement of public services contracts and therefore it is not subject to the full EU procurement rules. However, the Contracts Procedure Rules 8.1 and 8.2 require competition for procurements valued between £25K and £100K and the invitation of at least three written tenders. A waiver of these Contracts Procedure Rules is required to award a contract direct to this particular provider. Awarding new contracts direct to the provider in this way could leave the Council open to a potential claim from other potential providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that case law suggests that the Council should always consider whether contracts of this value could be of interest to contractors in other EU member states, and if it could, the opportunity should be subject to a degree of European wide advertising.
- 4.5.3 It is up to the Council to decide what degree of advertising would be appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc.) and the geographical location of the place of performance.
- 4.5.4 The Chief Officer, Customer Access & Welfare has considered this and, due to the nature of the services being delivered, the relatively low value of the contract, the substantial knowledge which The Forum possess in regards to our workings in the contact centre, best practice in similar organisations, and relationships already built with the council, is of the view that the scope and nature of the services is such that it would not be of interest to providers in other EU member states at the values involved.
- 4.5.5 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.5.6 Although there is no overriding legal obstacle preventing the award of this contract in this manner, in making their final decision, the Chief Officer, Customer Access & Welfare should note the above comments and be satisfied that the course of action chosen represents best value for the Council.

## **4.6 Risk management**

- 4.6.1 The risks of not doing this work would be failure to realise the benefits, or in other words, missed opportunities, for improvements in performance and financial savings.
- 4.6.2 We considered other options, including doing nothing, managing in-house, and procuring a contract via YORtender. We believe the work is needed to be done because of the potential benefits that can be realised. We do not have the skills in-house to properly embed this work, although the approach proposed will allow us to transfer these skills to our training and management team.

4.6.3 We discounted the tender option on value for money grounds as it will extend the time taken to award a contract, the contract if tendered would require a new company to spend significant time in getting to know our contact centre, building relationships, and establishing the required trust to carry out the work effectively.

## **5. Conclusions**

- 5.1 By investing in our staff, and embedding a high performance culture, colleagues in the contact centre will provide an even better service to customers. Employee engagement will improve, services will be redesigned around the needs of customers, and satisfaction with services will increase.
- 5.2 Moving this work along quickly to maintain momentum will help us make the most of the time already invested in managers and supervisors. By building on the work already done, The Forum will be in a position to help us move seamlessly along this journey and speed up the return on investment already made. Their understanding of how we work and the components already in place will mean they 'hit the ground running' and save us the time in building new relationships and trust with another organisation.
- 5.3 The provider has already demonstrated their expertise and professionalism, and we know how to get the best from this relationship, which is ongoing.

## **6. Recommendations**

- 6.1 Waive Contract Procedure Rules number 8.1 and 8.2 – Intermediate Value Procurements, and award a contract to Professional Forums Ltd. without seeking a competitive procurement. The contract will secure the provision of professional advice, consultancy, and coaching to help us embed a high performance culture within the contact centre. The contract will be for a fixed cost of £35,000, for a period of 4-6 months. The anticipated start date is 1 February 2020.

## **7. Background documents<sup>1</sup>**

- 7.1 See Appendix 1 for outline proposal.

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Appendix 1 – Proposal from Professional Forums Ltd.



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Coaching Culture Pr