

SUSTAINABLE GROWTH SCRUTINY COMMITTEE	Agenda Item No. 6
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Report of Executive Director – Strategic Resources

Report Author – John Harrison, Executive Director – Strategic Resources
Contact Details - John Harrison, Executive Director – Strategic Resources
Tel: 01733 452520
Email: john.harrison@peterborough.gov.uk

FIRST INTERIM REPORT ON THE PERFORMANCE OF THE SERCO PARTNERSHIP

1 PURPOSE

- 1.1 This report is submitted to Sustainable Growth Scrutiny Committee to consider in line with 8.3 of Part 4, Section 9 (Scrutiny Procedure Rules) of the Council's constitution.
- 1.2 Under paragraph 8.1 of Part 4, Section 9 (Scrutiny Procedure Rules) of the constitution any Councillor may require that an item be placed on the agenda of a Scrutiny Committee.
- 1.3 The Chair of Sustainable Growth Scrutiny Committee has requested this report be submitted.

2 RECOMMENDATION

- 2.1 Committee notes this interim report and that it will receive regular quarterly reports on the Peterborough – Serco Strategic Partnership.

3 LINKS TO SUSTAINABLE COMMUNITY STRATEGY

- 3.1 The Peterborough – Serco Strategic Partnership contributes to all the priorities in the Sustainable Community Strategy:-
- Creating opportunities – tackling inequalities;
 - Creating strong and supportive communities;
 - Creating the UK's environmental capital; and
 - Delivering substantial and truly sustainable growth.

4 BACKGROUND

- 4.1 On 13 October 2011 Committee received a report on the procurement process, the outcome of the evaluation and award to Serco Limited of services formerly included in the Manor Drive Managed Service.
- 4.2 The Peterborough – Serco Strategic Partnership went live on 28 November 2011 and included the following services:-
- Shared Transactional Services (e.g. Council tax, business rates, benefits, accounts payable and receivable, payroll and back-office parking);
 - Customer Services;
 - Strategic Property;
 - Operational Procurement;

- Business Transformation and Strategic Improvement;
- Business Support; and
- Financial Systems Support.

4.3 As with the Enterprise Peterborough Strategic Partnership, officers will be reporting to this Committee on a quarterly basis. The Chair of this Committee has requested an interim report on early performance on customer facing services:-

- Benefits service;
- Council tax ;
- Invoices; and
- Customer services.

5 PETERBOROUGH – SERCO – THE FIRST THREE MONTHS

5.1 At the time of writing this report, the Peterborough – Serco Strategic Partnership has been in place for nearly three months and we are pleased to report the partnership has had an excellent start.

5.2 The challenge in the transfer of services and staff was one of time. Serco only had one month from announcement of preferred bidder on 28th October, 2011 to effect the transfer without having any appreciable impact on the customers that could have been affected by this transition. The transition of the services and staff to Serco went smoothly, without any disruption to services, and the partnership arrangements are working well.

5.3 The early emphasis has been on business as usual and investment in these key services:-

- to explore other opportunities locally and in the wider market to grow the strategic partnership which in turn will bring benefits to the Council and the local economy; and
- to support the local community under its social corporate responsibility and sponsorship.

5.4 Early service delivery and improvements:

- Successful transfer of services and staff into Serco on 28 November 2011;
- Due diligence carried out on KPIs and base lining information;
- Strategic partnership governance arrangements set up including reporting mechanisms;
- appointment of Operations Director to oversee Serco operations and Heads of Service in business areas transferred;
- Relationships being built with senior stakeholders in relation to the partnership;

5.5 Serco is investing in Service Improvement Plans to drive service. Examples of these projects are:-

- The implementation of new technologies in Benefits to improve productivity and the customer experience;
- Working with Experian to improve debt collection;
- Developing the Customer Services service model to reduce handling times and improved first call resolution;
- Business planning procedures and process mapping to deliver improved services;
- A new financial transactions regime to improve services and the customer journey.

6 EARLY PERFORMANCE DATA

6.1 Performance data is provided by Serco on a monthly basis and reviewed with officers as part of the formal governance process that has been set up for the partnership. A sample of the dashboard of measures is at Appendix A and the governance structure is shown in Appendix B. Serco is driving service excellence in a number of key services:

6.2 Customer Services

6.2.1 Serco has carried out the following performance activities in Customer Services:-

- Implemented Serco's resource planning tools to better match staffing to call demand;
- Reviewed overall call handling times to maintain customer service but to reduce call length where possible thereby improving overall performance;
- Establishing a Serco 'customer service community' by developing closer liaison between other Serco call centre sites to share best practise;
- Proactive staff engagement activity.

6.2.2 Customer Service performance data is available for year to date as follows:

	YTD to end of Nov 11	YTD to end of Jan 12
Customer satisfaction (over 92%)	93.6%	93.6
% of calls answered	83.3	84.6
% of F2F customers with an appt seen within 30 mins	95.7	95.9
% of calls answered in 20 secs	56.9	59.5
Average time to answer (General Q)	27	25
First call resolution (exc switch) (%)	77.1	77.9
First call resolution (inc switch) (%)	52.5	55.8

6.3 Shared Transactional Services

6.3.1 Serco has carried out the following performance activities in Shared Transactional Services (Council Tax Collections, Benefits and Invoices):

- Established new working practices with roles focused on specific service tasks;
- Revised the management structure with accountabilities clearly defined to outcomes as set-out in the performance KPIs of the contract.
- Regular review meetings between Team Leaders to ensure that operational issues and conflicts are quickly resolved;
- Proactive staff engagement activity.

6.3.2 Business Rates and Council Tax performance is measured annually with year to date (YTD) performance and the forecast out-turn highlighted in the table below:

	08/09	09/10	10/11	11/12 (YTD)	Forecast 11/12
NDR collection	96.90%	95.33%	96.31%	91.28%	95.5%
CTX collection	96.24%	96.06%	95.76%	93.34%	95.5%

6.3.3 Benefits performance (average number of days to process) for the last 3 years is shown in the table below:

	08/09	09/10	10/11
NI 181	18.82	13.52	18.54
new claims	31.22	23.33	35.18
changes	13.47	10.28	14.10

6.3.4 Serco performance against claims received from commencement of the contract is:

	Dec and Jan 2012
NI 181	11.41
new claims	9.55
changes	13.79

6.4 Invoice Payments

6.4.1 Performance information in relation to payment of Invoices is as follows::

	Target	YTD Nov 11	YTD Jan12
Ensure all statutory Accounts Payable returns meet deadlines	100%	100%	100%
Percentage of invoices paid within 30 days of receipt BVPI8	97%	92.9%	93.2%

7 COMPLAINTS

7.1 The Strategic Client Team has not received any complaints about Serco's delivery of the services since the strategic partnership commenced.

7.2 The following complaints have been received by the Central Complaints Team since 28 November 2012 in relation to the services shown below:

Department	No.
Customer Services	5
Revenues and Benefits	21

7.3 The complaints about Customer Services relate to:-

- staff attitude/conduct 4
- delayed services 1.

7.4 Complaints on Revenues and Benefits includes relate to:-

- delayed service 11
- lack of/incorrect information about service 3
- about policy 3
- alleged breach of confidentiality 2
- about legislation 1
- not to standard 1.

7.5 Twenty-four of the twenty-six complaints have been cleared with actions taken to remedy. Two of the above complaints have been carried forward as stage 2 complaints. Serco has been working with the Council to address all complaints received.

8 PETERBOROUGH – SERCO – THE NEXT THREE MONTHS

8.1 In the next three months, Serco is working on the following:-

- continuing to develop Service Improvement Plans referred to above and three further Service Improvement Plans to deliver improved customer service and performance, creating a high performing;

- project management and providing incremental support services from 1 March 2012 as a result of the Adult Social Care Service transfer to the Council.

9 IMPLICATIONS

9.1 The partnership enables the Council to continue to provide efficient, economic and effective services through its strategic partner.

10 CONSULTATION

10.1 The Strategic Client Team continues to engage with stakeholders in relation to the services being provided.

11 EXPECTED OUTCOMES

11.1 The expected outcomes are set out in the report.

12 BACKGROUND DOCUMENTS:

12.1 Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- Operational Services Agreement with Serco Limited (parts of which are exempt)

13 APPENDICES:

Appendix A – Sample Performance Dashboard

Appendix B – Governance Structure

APPENDIX A

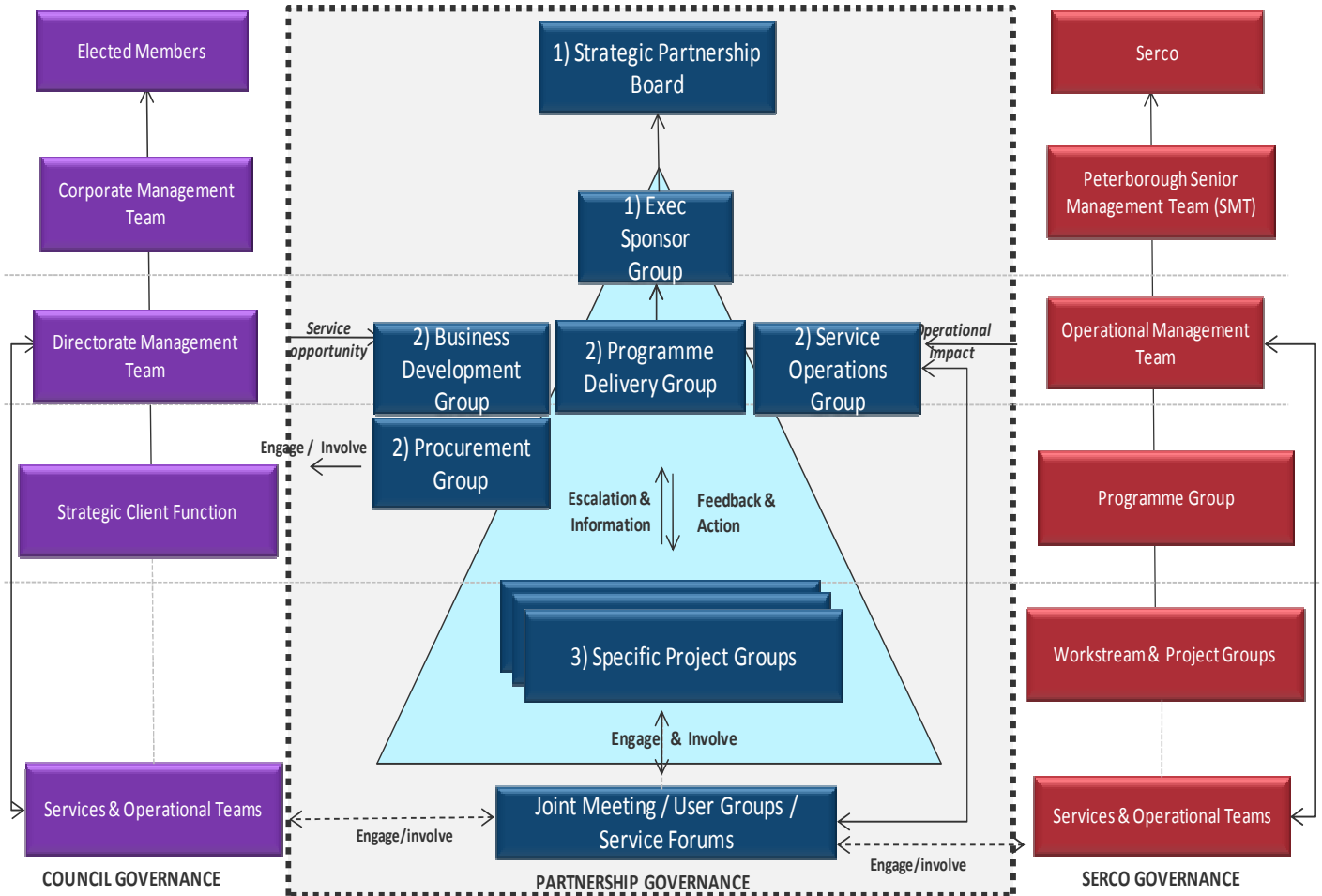
SAMPLE PERFORMANCE DASHBOARD

Service Performance	PM Type	PM Status - for Reporting Frequency
	KPI	Above Target
		On Target
		Below Target - Minor
		Below Target - Medium
		Below Target - Major
		Below Target - Unacceptable
	PI	Above Target
		On Target
		Below Target - Minor
		Below Target - Medium
		Below Target - Major
		Below Target - Unacceptable
	TOTALS	KPIs and PIs On or Above Target
KPIs Below Target		
PIs Below Target		
KPI Performance Deductions	Description	
	For Consideration	
	Waived	
	Taken (Before Monthly Cap Applied)	
	Waived (Amount over the Monthly Cap)	
Taken (After Monthly Cap Applied)		
Schedule 11 (Para 5)	KPI Rule	Description
	5.1	Failure to meet one or more KPIs where Performance Deductions apply
	5.2	Failure to meet one or more PIs
	5.3	Monthly Service Element Performance Deduction Cap Not Exceeded
	5.4.1	1st Incident of Failure of one or more KPIs in Monitoring Period
	5.4.2	2nd Incident of Failure of one or more KPIs in Monitoring Period
	5.4.3	3rd Incident of Failure of one or more KPIs in Monitoring Period
5.4.4	Clause 28 Triggered - Corrective Action Procedure	

APPENDIX B

GOVERNANCE STRUCTURE

This Appendix is referred to paragraph 6.1 of the report titled First Interim Report on the Performance of the Serco Partnership.



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