

SUSTAINABLE GROWTH AND ENVIRONMENT CAPITAL SCRUTINY COMMITTEE	Agenda Item No. 4
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Report of Executive Director – Strategic Resources

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INTERIM REPORT ON THE PERFORMANCE OF THE SERCO PARTNERSHIP

1 PURPOSE

This report is submitted at the request of the Chairman of this Scrutiny Committee to give the Committee an overview of the performance of Serco under the partnership arrangements with the City Council

2 RECOMMENDATION

The Committee notes the report.

3 LINKS TO SUSTAINABLE COMMUNITY STRATEGY

3.1 The Peterborough – Serco Strategic Partnership contributes to all the priorities in the Sustainable Community Strategy which are :

- 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 the 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 Services.

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 This is the second quarterly report to the Committee; the first quarterly report was submitted 6 March 2012
- 4.4 Serco has been contacted by the Scrutiny Officers about further regular reporting to the Committee and, recognising that the Committee has a busy agenda, the officers have therefore proposed that the Committee may in future prefer to have informal reports or briefings on performance so that it can identify any specific matters upon which it may wish to receive a report at a meeting or it may choose to meet informally with officers of Serco to put any specific questions on the operation of the partnership or it might simply wish to continue with the routine quarterly reporting. This is entirely a matter for the Committee and these proposals are made with the intention of assisting the scrutiny function within the resources available to the Committee.
- 4.5 Performance management of the partnership is the responsibility of the Strategic Commissioning team. The team hold regular meetings (the partnership board) to review performance under the chairmanship of the relevant Cabinet member.

5 SERCO PETERBOROUGH - OUR OPERATIONS

- 5.1 Since the last report, the Partnership has been focused on delivering 'business as usual'; driving continuous improvement, preparing for strategic service improvements and driving a change in culture. A process has been implemented to drive the SIPs forward. Project managers have been assigned and are currently defining the scope of individual SIPs, identifying the service improvements which can be implemented quickly as business as usual and those service improvements which are transformational.
- 5.2 Specifically in Shared Transactional Service, a review is continuing with the aim of deploying online claims and self service capability and to move from paper based claims to online submissions. This will enable staff to increase face to face contact, creating better communications and faster resolution of issues.

6. 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. Serco is driving service excellence in a number of key services:
- 6.2 Serco has carried out the following performance activities in Customer Services:-

Serco listening have been deployed in the contact centre and have introduced a quality management performance framework which is used at other Serco call centre sites. This along with improved resource planning has contributed to a reduction in average call handling times and a year on year improvement in service.

Admin tasks including the printing and enveloping of documents have been removed from the call centre to enable staff to focus on call handling. These letters were predominantly Revenues and Benefits related and so these have been moved into the back office and are sent out from Manor Drive.

The complaints team has continued to support the wider organisation. In particular the Children's Social Care team has included the introduction of conciliation meetings prior to escalation to independent investigators when appropriate. This initiative has the potential to resolve issues face to face before engaging the expense of an investigator.

Customer Service performance for the first 6 months of the partnership is detailed below and compared with corresponding period for previous year for information. In the tables below and

information contained within this report there is a reference to base targets and aspirational targets. The base targets are those that were originally set by the the contract as a starting point for the baseline exercise. The aspirational target is the proposed change to the performance measures.

	28 Nov 2010 to 31 May 2011	28 Nov 2011 to 31 May 2012
Customer satisfaction (over 92%)	93.6%	95%
% of calls answered	86.4%	90.6%
% of F2F customers with an appt seen within 30 mins	95.8%	98.4%
% of calls answered in 20 secs	61.9%	67.8%
Average time to answer (General Q)	26 secs	17 secs
First call resolution (exc switch) (%)	81.3%	85.4%
First call resolution (inc switch) (%)	55.9%	65.8%

	Base Target	Aspirational Target	Dec	Jan	Feb	Mar	April	May
Customer satisfaction (over 92%)	89.7%	95%	0	0	95.3%	94.5%	0	0
% of calls answered	82.6%	93%	90.48%	91.06%	88.1%	89.7%	90.9%	93.2%
% of F2F customers with an appt seen within 30 mins	95.0%	95.6%	94.37%	98.79%	99.7%	99.5%	98.5%	99.3%
% of calls answered in 20 secs	54.5%	70%	73.82%	68.1%	62.9%	63.8%	65.9%	72.8%
Average time to answer (General Q)	30 secs	25 secs	9	16	20	21	21	15
First call resolution (exc switch) (%)	76.9%	85%	80.16%	80.62%	80.6%	85.8%	87.9%	85.6%
First call resolution (inc switch) (%)	52.5%	60%	62.17%	62.41%	61.9%	65.9%	70.1%	65.5%

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

New roles have been established focussing on specific service tasks which will lead to people becoming experts in their field.

The management structure is currently under review, aligning people to services and KPI's, therefore driving accountability and improved delivery.

Regular review meetings between Team Leaders to ensure that operational issues and conflicts are quickly resolved, resulting in improved staff engagement.

Business Rates and Council Tax performance is measured annually with performance in the table below:

	08/09	09/10	10/11	11/12
NNDR collection	96.90%	95.33%	96.31%	96.37%
CTX collection	96.24%	96.06%	95.76%	95.73%

The annual Council Tax review, conducted in October 2011, reported that Peterborough City Council had a total of 77,975 chargeable dwellings. For an outline of our approach to collections please see appendix one.

During the last quarter of 2011/12 Serco conducted a Single Person Discount review by comparing Peterborough City Council's data against data held by the leading credit agency, Experian. A total of 3,738 customers were identified as possible risks and were contacted to confirm their eligibility to the Single Person Discount. As a result, 899 discounts were cancelled resulting in an increase of £170k of Council Tax net liability, without this review the overall council tax collection performance would have been better.

Excluding exempt properties (for example, lived in by students, all aged under 18), 26,103 were awarded a single person discount. This equates to 34.55% of the caseload. This is just below the national average of 34.62%.

Benefits performance (average number of days to process) for the last 4 years is shown in the table below:

	08/09	09/10	10/11	11/12
NI 181	18.82	13.52	18.54	27.72
new claims	31.22	23.33	35.18	46.78
changes	13.47	10.28	14.10	22.66

ATLAS (the DWP Automated Transfer to Local Authority Systems) went live with phase two in the first quarter of this year. Changes to benefits within DWP including the end of year review of Tax Credits and changes to the JSA which went live on 1st May, has caused a higher than predicted number of cases being received by the team – we expected approximately 100 cases per day and are receiving over 300. The long term benefits of the automated system are that we are informed of changes directly from DWP rather than relying on individuals telling us of changes to their circumstances and then seeking to recover monies. In the short term the volumes coming in during the reported period has impacted on our efficiency in processing these cases.

Serco performance (average number of days to process) against claims received from commencement of the contract is:

	Dec and Jan 2012	Feb 12	Mar 12	Apr 12	May 12
NI 181	11.41	15.08	7.10	20.46	27.39
new claims	9.55	24.14	27.64	32.53	33.14
changes	13.79	12.61	5.54	18.00	26.94

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

	Base Target	YTD Nov 11	YTD Jan 12	Mar 12	11/12	Apr 12	May 12
Ensure all statutory Accounts Payable returns meet deadlines	100%	100%	100%	100%	100%	100%	100%
Percentage of invoices paid within 30 days of receipt BVPI8	*TBA	92.9%	93.2%	95.8%	93.54%	96.55%	96.06%

*TBA: This measure is being redefined to measure Serco's performance rather than the joint performance of the Council and Serco. It is anticipated that both the measure and target will be agreed by August 2012.

7. COMPLIMENTS & COMPLAINTS March – May

Serco has received 41 compliments during this reporting period, 35 of these were received from satisfied members of the public and the remaining six from other Serco and PCC departments. Serco are developing a compliments log to be used in future reporting.

In addition to these compliments, Serco has been awarded the Customer Excellence Award. This is a real achievement, especially in relation to the amount of change that the team has undergone since the transition.

7.1 Complaints are handled in a two stage process; a *Stage One* complaint is handled by the line manager. If a complaint cannot be resolved at *Stage One* this is escalated to the Strategic Client Team and the Head of Service as a *Stage Two* complaint.

7.2 The following complaints have been received by the Central Complaints Team since 1st March 2012 till 31st May 2012.

Department	Nov – February	March - May
Customer Services	5	5
Shared Transactional Services	21	17

7.3 Stage One Complaints:

7.3.1 Customer Service : the Customer Services Centre received 372,000 calls in 2011/12 this equates to circa 93,000 per quarter. In addition to this the Walk in Centre handles around 45,000 customers per quarter.

Category	Upheld	Partially Upheld	Not upheld /Withdrawn
Staff Attitude / Conduct	3	0	0
Delayed services/Service failure	1	0	0
Lack of / Incorrect information about Service	0	0	1
Not to Promised Standard	0	0	0
Total	4	0	1

The Staff attitude/conduct complaints were verified by listening to the call, and one to one mentoring has been given to the CSOs, with learning points noted and shared with the team

The Delayed services/Service failure complaint relates to a misdirected call. The CS Officer received a call regarding policy and directed it to Enterprise Peterborough. However Enterprise does not set policy. As a result of this all CSOs were reminded of the distinction between the responsibilities of the service providers in their relationships with the council.

7.3.2 Revenues and Benefits: the case load for the revenues and benefits department includes 18,500 benefits cases, 5200 business rates accounts and 78,000 council tax bills. The complaints for benefits are detailed below:

Category	Upheld	Partially Upheld	Not upheld /Withdrawn
Delayed Services/Service Failure	1	1	1
Lack of / Incorrect information about Service	One under investigation at time of writing		
Not to Standard	1	1	0
Totals	2	2	1

The complaint referring to delay in processing of a discretionary housing benefit payment was upheld. The customer's communication was not entered into the system by staff. The other complaint referred to the late payment of housing benefit and is partially upheld due to cheque being delayed in the post.

Of the non standard complaints one was upheld as the complaint referred to a letter received which didn't have the correct postage paid. When the claimant visited the call centre they were reimbursed for their costs. The other non standard complaint was partially upheld it related to an over payment of housing benefit. The overpayment was due to the customer not advising us of their change in circumstances. This has now been resolved.

7.3.3 The Stage One Complaints for Business Rates are detailed below:

Category	Upheld	Partially Upheld	Not upheld /Withdrawn
Not to Standard	1	0	0
Disputing Liability	One under investigation at time of writing		
Totals	1	0	0

One complaint related to a rate payer seeking to contact the business rates team by phone. One person now acts as a dedicated resource to ensure that customers can get through to the correct team.

More details of the other complaint will be provided once the investigation is complete.

7.3.4 The Stage One complaints received for council tax were:

Category	Upheld	Partially Upheld	Not upheld /Withdrawn
Delayed services/Service failure	1	0	0
Disputing liability	1	0	1
Not to Standard	1	1	0
Policy	0	0	4
Totals	3	1	5

The Delayed services complaint relates to a council tax benefit application, The complaint was partially upheld, the tax payer was liable for the payment whether he was in award of the benefit or not. This matter was resolved by an earnings order being submitted through the employer.

The disputing liability complaint was a tenant being chased for a previous tenants arrears The claim was not upheld as the the letting agent had not supplied the revenues team with the new tenant details.

The upheld Not to Standard complaint was an objection to the Council Tax department not liaising with Equita Bailiffs regarding money outstanding. Our agent Equita, had failed to update their systems when informed by ourselves.

The partially upheld Not to Standard complaint, relates to a failure change details on a council tax account. Correspondence had not been updated correctly to represent a change in circumstances.

7.4 Stage Two Complaints

The Strategic Client Team received two complaints, one of which has been investigated by Mark Sandhu, Head of Customer Services. And the other by Amanda Stevens, Head of Shared Transactional Services.

The Customer Services complaint related to non collection of bins by Enterprise and a specific customer who called to ask when his bins would be collected.

The Shared Transaction Services complaint related an enquiry about benefits the CS Officer, advised they were entitled to full benefits, this was incorrect. This has been investigated and is currently on course to be resolved.

8.0 Corporate Social Responsibility

- 8.1 We recognise that our own staff are both ambassadors and key stakeholders in, the organisation forming a bridge between Serco and the community. This is not only during the working week but also in their wider lives, we therefore include them as part of our Corporate Social Responsibility (CSR) programme.. It is our ambition to make Serco an employer of choice in the local economy, and building our reputation for CSR and community involvement will be a key part of this.
- 8.2 Our CSR model is built on four pillars: Our pillars, Our communities, Health and Safety and the Environment
- 8.3 The theme of employability has long been a focus for Serco and given the current difficult economic climate, this has become an even greater priority. Employability will form the core of our CSR work in Peterborough. As part of the partnership agreement we have under taken to deliver 80 apprenticeships and 200 work placements over the course of the Partnership agreement. Key partners for delivering this are the Job Centre Plus, Peterborough Prison and the Troubled Families Programme.
- 8.4 We will be developing a programme of employee volunteering this will allow us to improve our people's skills and engagement, adding variety to their roles and allowing us to develop future leaders.. We are liaising with the Peterborough CSR Forum to establish a route to deliver maximised benefits for Serco, our people and Peterborough

9.0 PETERBOROUGH – SERCO – THE NEXT THREE MONTHS

- 9.1 In the next three months, Serco is working on the following:-
- Continuing to develop Service Improvement to deliver improved customer service and performance, creating a high performing organisation.
 - Developing the Serco Peterborough CSR programme.
 - Phil Thorne Interim Income Manager will be moving over to support the council with localisation and the changes to Council Tax Benefits. The council will be defining a draft scheme by September this year in order to meet the deadlines for implementation in 2013.
 - Developing our newly acquired Ideal shopping account to build relationships and benefits for Serco and Peterborough.

10 IMPLICATIONS

- 10.1 The partnership enables the Council to continue to provide efficient, economic and effective services through its strategic partner.
- 10.2 The partnership is a contractual arrangement which is monitored regularly by the Strategic Commissioning team who report to an internal board on the performance of the contract. Legal issues regarding the contractual arrangements are dealt with at the board meetings.

11 CONSULTATION

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

12 EXPECTED OUTCOMES

12.1 The expected outcomes are set out in the report.

13 BACKGROUND DOCUMENTS:

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)

14 APPENDICES:

Appendix 1 – Process for Collecting Overdue Revenues

APPENDIX A

SAMPLE PERFORMANCE DASHBOARD

Appendix One

Procedures surrounding Council Tax Collections

We adhere to government legislation on Council Tax collection and around this we apply a common sense approach with the aim being to get tax payers back into payment as soon as possible.

Under the Legislation council tax is payable in advance at the start of the financial year. Tax payers then have the right to pay it all or, as most choose to do, pay in 10 monthly instalments. If someone does not pay an instalment then a demand may be issued for the full amount.

In practice many people chose to pay monthly by direct debit and so their payments are sent and received automatically. For those who manage their payments themselves, in which cases the dates payments are received will vary month to month, there are a few days grace before reminders are sent out.

The system runs automatically, with reminder letters being sent out 14 days after the due date to late payers. These letters give the customer a final due date usually 14 days after that.

If this date is exceeded the late payer becomes regarded as a non payer forfeiting their right to pay monthly. At this point a court summons is issued for the balance of their payments for the year.

If someone has contacted us during the month prior to the final demand being sent then it is natural for us to see how we can work with them to ensure that they get back into payment and we can work out a payment plan if they are having difficulty, however if they do not contact us the system proceeds around due dates and court proceedings are initiated.

The objective of the summons again is to get them back into payment, it is a short sharp shock, we recognise that not everyone has the funds available to pay their council tax up front and so we will often put the payer back onto a monthly payment plan as soon as the outstanding balance is settled. If they continue to default then we will pursue court action.

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