

GROWTH, ENVIRONMENT & RESOURCES SCRUTINY COMMITTEE	AGENDA ITEM No. 5
7 NOVEMBER 2018	PUBLIC REPORT

Report of:	Pete Carpenter, Acting Corporate Director of Resources	
Cabinet Member(s) responsible:	Cabinet Member for Resources	
Contact Officer(s):	Pete Carpenter, Acting Corporate Director of Resources Mark Bennett, Strategic Partnerships Director, Serco	Tel. 01733 384564

SERCO ANNUAL REPORT 2017-18

RECOMMENDATIONS	
FROM: Pete Carpenter, Acting Corporate Director of Resources	Deadline date: N/A
<p>It is recommended that the Growth, Environment & Resources Scrutiny Committee:</p> <ol style="list-style-type: none"> 1. Review and comment on this report. 	

1. ORIGIN OF REPORT

1.1 This report has been requested by the Interim Corporate Director of Resources.

2. PURPOSE AND REASON FOR REPORT

2.1 This is an opportunity for the Committee to hear from and question both officers of the Council and the Serco Partnerships Director, Mark Bennett on the performance of Serco during 2017/18.

2.2 This report is for the Growth, Environment and Resources Scrutiny Committee to consider under its Terms of Reference Part 3, Section 4 - Overview Scrutiny Functions, paragraph No. 2.1 Functions determined by Council:

- 10. Partnerships and Shared Services; and
- 11. Digital Services and Information Management

2.3 The Serco Partnership continues to contribute to all of the Council's priorities.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
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4. BACKGROUND AND KEY ISSUES

4.1 The Peterborough Serco Strategic Partnership (PSSP) went live on 28 November 2011 and delivers the following services:-

- Shared Transactional Services (e.g. Council Tax, Business Rates, Benefits, Accounts Payable and Receivable and Back-Office Parking Administration);
- Customer Services;
- Procurement;
- Business Transformation and Service Improvement;
- Business Support (including HR admin & Payroll) and
- Financial Systems Support.

The ICT Managed Service has been operated by Serco Limited since 1 October 2009

4.2 The Report in Appendix A sets out Key Performance Indicators (KPIs) for both contracts.

Across the two contracts, Serco employ just under 500 staff including up to 29 on apprenticeships ranging from NVQ level 2 to degree level.

4.3 The PSSP has 22 key performance indicators across 6 Service areas and delivery for 2017/18 is summarised in the following table. More detail of the data is contained in Appendix B:

Service Area	Mar Target	Mar Hit	Jun Target	Jun Hit	Sept Target	Sept Hit
Shared Transactional Services	9	9	9	9	9	9
Business Support	1	1	1	1	1	1
Customer Services	1	1	1	1	2	2
BTSI	1	1	1	1	1	1
Financial Systems Support	1	1	1	1	1	1
Procurement	5	5	5	5	5	5

There are two KPI's currently suspended:

- In Customer Services - % of telephone calls answered due to additional time required to populate the Customer Relationship System
- In Business Support - % of tasks completed to deadline due to the work management system no longer being supported following the move to the Google Platform

A further KPI in Financial Systems Support is not reported on as no priority 1 calls have been raised in respect of his service.

As a result no KPI service failures have been experienced and no service credits applied.

4.4 The ICT contract delivery is based on 19 key performance indicators.

For 2017/18 of the 19 indicators:

Four different indicators were not delivered in the 4th quarter of 2017. Non-delivery centred around not achieving target rates for call answering targets.

Two different indicators were not delivered in the first 3 quarters of 2018 Fulfilment of priority 4 ICT request due to close down of PCC over the Christmas period and the increased call volume resulting in the move into Sand Martin House. The second was call abandoned rate > 5% due to some issues we had with our new call system.

Further detail is shown in Appendix B

4.5 A range of major projects and other service delivery detail is outlined in Appendix A.

These include:

- Delivery of major projects;
- Service delivery improvements;
- Introduction of Innovation;
- Recognition, through awards of services that have been delivered.

5. CONSULTATION

5.1 The Financial Services team, as contract owners continues to engage with stakeholders in relation to the services being provided.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 The expected outcomes and associated service impacts are set out in the report.

7. REASON FOR THE RECOMMENDATION

7.1 Service delivery of major partnership contracts should be reviewed annually and outcomes of these reviews should be used to improve service provision.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 This report sets out performance of an operational contract. Alternative options would be considered if service delivery is not being delivered, shown via budget spend and Performance Indicator delivery.

9. IMPLICATIONS

Financial Implications

9.1 The following figures were reported to members in July 18 as part of the Council's year-end Budget Monitoring Outturn Report:

Department	Budget £000	Contributions From Reserve £000	Revised Budget £000	Actual Outturn £000	Variance £000
Peterborough Serco Strategic Partnership	7,352	-	7,352	7,385	33
ICT	5,944	110	6,054	6,096	42

Items highlighted in the report were as follows:

Peterborough Serco Strategic Partnership (PSSP)

- An additional £0.288m of Court Cost income was received and this is expected to continue in future years (and will be factored into the 2018/19 Budget).
- There was a £0.090m favourable variance on the Housing Benefit Subsidy Budget, this equates to less than a 0.01% variance on the £66m budget.

ICT

- There was an overspend of £0.237m against the £0.410m budget for the revenue impact of the IT Strategy of moving costs into the Cloud, as the cost was not fully identified at the time that the budget was set.
- There is also a pressure of £0.391m from the delay in delivering Salesforce Line of Business applications & Box having not yet been decommissioned, due to business continuity.

Legal Implications

9.2 This report gives a review of the delivery of the Serco contract through the 2017/18 financial year. Delivery has been governed throughout the year by the agreed contracts and appropriate

Change Control arrangements.

Equalities Implications

9.3 This contract delivers to a range of PCC Stakeholders.

Rural Implications

9.4 There are no rural implications to this report – although all parts of the Community are affected by these services.

10. BACKGROUND DOCUMENTS

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

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1.

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

11. APPENDICES

11.1 Appendix A - Serco key activities and achievements since April 2017
Appendix B – Serco Performance and KPIs

Appendix A

Serco key activities and achievements since April 2017

Major projects

Sand Martin House programme – Over 31 Serco project team members delivering in excess of 17,000 hours' worth of work, building a new IT infrastructure delivering 800+ chromebooks, developing a Change Champion network (80 staff to represent the majority of the teams across the council) and delivering Agile Working workshops to provide guidance and support on the new flexible ways of working within the new environment. Reducing the amount of storage that teams require and therefore removing the cost of that storage.

Decreasing 1st class post which has also reduced the total volume of post going out of the door which is expected to deliver approx. £30k of year on year savings.

Closure of the Cash Office and divert all customers and staff to alternative online solutions; where an ongoing business need is accepted for Petty Cash, ensure secure alternative arrangements which meet finance and audit requirements

Replaced paper based parking permit system with online e-permit system. Enable closure of the cash office and enable PCC to collect online payments

Implemented an online taxi licence application self-service process to reduce customer contact and improve the application process

Updated the existing online application and payment process for the brown bin garden waste service which supported the cash office closure and allowed Amey to continue to offer Direct Debit as an online payment option

Replaced the Cloudbuy Care Directory with the Open Objects Care Directory creating an 'All Services Hub'.

Project Support Officer resources provided to support Commissioners in delivering identified savings across a project to review High Cost Placement packages which delivered £367k in year (£400k per annum moving forward).

Brought Clare Lodge into ICT support by building a new core infrastructure aligned to PCC's and migrated 93 staff onto PCC's infrastructure.

Implemented a new Graphical Information System (GIS) which enabled a consolidation of 3 systems into 1 delivering a unified and consistent approach to enable PCC to deliver their geospatial requirements, whilst saving money on their licensing and delivering content in a more agile way.

Payment strategy – as part of the work to encourage customer to pay PCC in the most efficient way the cash office in the Customer Service Centre at Bayard Place was closed. All customers were successfully supported to make payments on-line, direct debit, telephone or at a post offices/payzone outlet. Prior to closure approximately 50,000 customers used to attend the cash office to make payments and access other services.

In housing benefits two major projects were successfully managed:

- a) Implementation of the Department for Work & Pensions 'Wider Use of Real Time Information' (WURTI), was introduced which provides access to HMRC earning's and pensions data, with a view to reducing fraud and error and
- b) Universal credit full service was implemented in Peterborough in November 2017

The introduction of SourceDogg in its first year helped improve compliance in respect to the amount of new suppliers being retrospectively registered (i.e. after the service has been delivered) reduced by 47% compared to the year before. And delivered in excess of £100k savings, on the back of a £15k investment for the SourceDogg software

Other service achievements

During the last 12 months Procurement has undertaken in excess of 25 Strategic Sourcing Initiatives (OJEU level) across the Council.

Procurement team delivered £3m in savings during 2017/18. However, these savings were offset by cost pressures across other areas of the council.

Further improvement in the in-year collection rates for business rates (97.8%) and council tax (95.9%) during 2017/18. Business rates has improved by 1.3 % over the last two years and council tax by 1%.

The local taxation team have successfully achieved charging orders to clear a council tax historical debt of £7k and a business rates debt of £153k. The council tax debt has now been fully paid and the business rates debt is subject to an ongoing legal challenge.

Improvement in benefit processing times, with change of circumstances improving from approximately 20 days down to 10 days during the year, and new claims processing from 25 days down to 10 days. New claims is now in top quartile performance nationally.

DHP budget (£687k) fully utilised with targeted work on arrears and homeless prevention.

Single Person Discount review commenced for all 26,000+ recipients with inclusion of leaflet with 18/19 bills.

Early intervention project to chase property debt earlier, resulting in 24% more invoices being paid within 15 days and linked cash flow improvement

In the latest customer satisfaction survey undertaken by the customer services team 98% of the 500 customers were either satisfied or very satisfied with the service they received.

Took on board the Amazon Web Services management in order to deliver a more proactive service and decrease its cost base

The innovative '#AskOscer' initiative had been extended until November due to the valuable contribution they have provided to staff by taking digital and IT expertise to staff via branded floorwalkers, it has now been requested that this is extended further. We have also increased the scope to include an #AskOscer Drop in centre in the engine shed of SMH.

Innovation

Implementation of Payment and Advice Clinics with Enforcement Agents supporting our most vulnerable citizens. Citizens Advice attendance at the latest surgery and were very positive about the initiative.

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The procurement team have developed a strong relationship with the Peterborough & Cambridge Chamber of commerce and to support the council's 'responsible buying' have registered in excess of 1,400 local suppliers within SourceDogg, which 400 of those have a PE postcode.

The relationship with the Chamber of Commerce has also meant that the procurement team has delivered procurement training sessions to local businesses with over 200 local businesses attending them.

Trial of texting customers due reminders on their council tax undertaken during the summer, with additional texts sent again in March 2018.

Awards and recognition

Local taxation team were 'Highly Commended' by the Institute for Rating, Revenues and Valuation (IRRV) in the 'most improved team' of the year award.

The Citizens Advice Bureau recognised Peterborough's fair and effective approach to council tax recovery at the institute's national conference. An updated Council Tax Protocol will shortly be signed by Councillor Seaton and the CEO of Citizens Advice Peterborough.

Achieved the national Customer Service Excellence award for the tenth year running. In 2018 in addition to being fully compliant the customers services team achieved 12 'compliance plus' areas which was an increase of 2 on the previous year.

Procurement team were finalists in the National Procurement GO Awards (Government Opportunities) for Best Procurement Team in the Public Sector.

Department for Work & Pensions (DWP) Performance and Development Team ceased monitoring performance due to significant improvements in the speed of processing benefits claims. Site visit undertaken by DWP to learn what we had done to enable them to share good practice, and also gather lessons learnt from recent Universal Credit roll out.

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