

GROWTH, ENVIRONMENT AND RESOURCES SCRUTINY COMMITTEE	AGENDA ITEM No. 7
10 March 2021	PUBLIC REPORT

Report of:	Peter Carpenter, Director of Resources	
Cabinet Member(s) responsible:	David Seaton, Cabinet Member for Finance Mohammed Farooq, Cabinet Member for Digital Services and Transformation Peter Hiller, Cabinet Member for Strategic Planning and Commercial Strategy and Investments	
Contact Officer(s):	Peter Carpenter, Director of Resources	Tel. 01733 452520

**PORTFOLIO PROGRESS REPORT FOR THE CABINET MEMBER FOR FINANCE
SERCO ANNUAL REPORT UPDATE
NPS ANNUAL REPORT UPDATE**

RECOMMENDATIONS	
FROM: Cabinet Member for Finance	Deadline date: <i>n/a</i>
<p>It is recommended that Growth, Environment and Resources Scrutiny Committee:</p> <ol style="list-style-type: none"> Note the Report 	

1. ORIGIN OF REPORT

1.1 This report is submitted to is be presented by the Cabinet Member for Finance at the request of the Growth, Environment and Resources Scrutiny Committee.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to update the Scrutiny Committee on the progress of items:

- The responsibilities of the Cabinet Member for Finance
- An update on Serco delivery 2019/20 and to the end of January 2021
- An update on NPS delivery 2019/20 and to the end of January 2021

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:

9. Strategic Financial Planning
10. Partnerships and Shared Services

2.4 This report sets out delivery in the Finance portfolio over the past year, and the delivery undertaken by NPS and Serco - these link to Corporate Priorities.

3. TIMESCALES

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

4.1 This report initially concentrates on those functions under the Finance Portfolio for the Period 1st April 2019 through to the 31st January 2021. This ensures that the full impact of financial decisions during the 2019/20 and 2020/21 financial years are taken into account including the Audit of Accounts.

This report will cover the following area's:

- Budget Process 2019/20 and 2020/21;
- Closure of Accounts 2019/2020;
- Budget Monitoring Process 2020/21 and the effects of C-19;
- Delivery to Treasury Management and Prudential Indicator requirements;
- Delivery of Revenue and Benefits requirements;
- Financial control reports delivered through the Audit Committee;
- Specific Projects.

It then provides updates on the following partnership arrangements which deliver services across multiple portfolio holders:

- Serco
- NPS

4.2 Budget Process 2019/20 and 2020/21

2019/20

The Council moved back to a 2-phase budget process for the 2019/20 MTFs process. The move ensured that the bulk of savings could be delivered as quickly as possible by being approved before Christmas to ensure the maximum possible time for implementation. The Council were assisted through the process by Grant Thornton who challenged the Councils approach to savings initiatives across a range of Service to deliver the final Medium Term Financial Strategy. The second phase of the budget updated Phase 1 assumptions, took account of the Local Government Settlement and the updated effects of a Capitalisation Direction awarded by MHCLG for the Council to allocate against transition and redundancy costs.

The budget was presented to Council in December 2019, and then March 2020 for approval. Overall, the Council increased its planned use of one-off measures from £13m to £25m. The award of the Capitalisation Direction and additional capital receipts increased this total by £11m. Overall, the final 2019/20 budget report presented to Council in March highlighted that the Council would deliver £33.5m of savings and use of £1.5m of reserves to balance its budget. This included 97 different investment or savings proposals. As part of the agreement in receiving the Capitalisation Direction, the Council ran "lean reviews" in January to February 2020 to identify proposals to close the 2021/22 £14.2m deficit. Almost £12m of proposals were identified to be converted into concrete Business Plans at this point.

Then COVID-19 hit at the end of March 2020.

2021/22

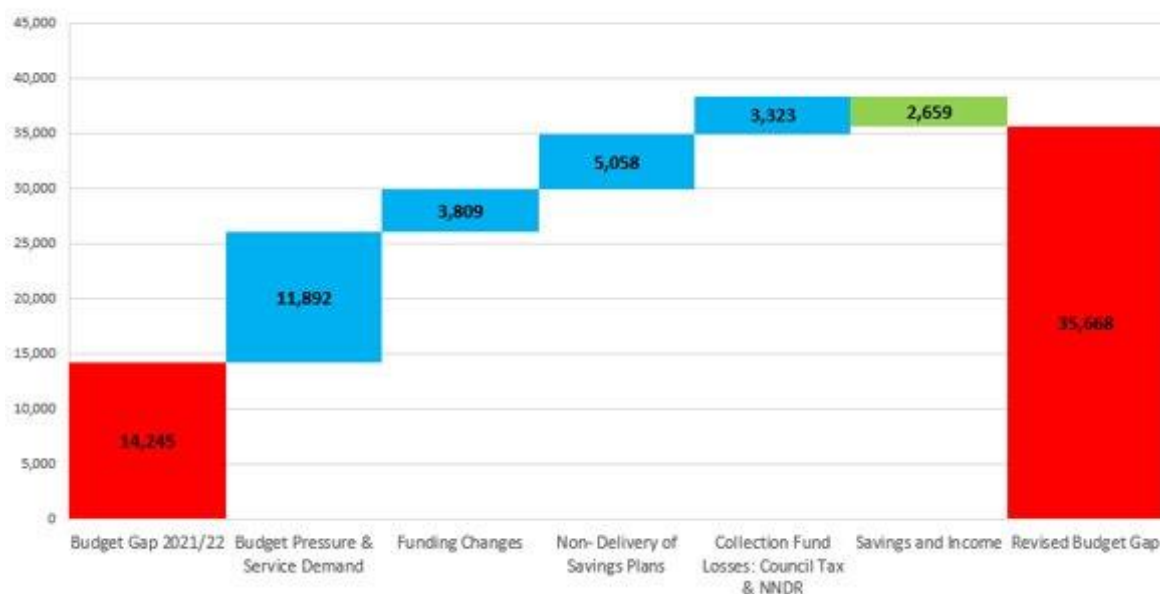
The Council highlighted in its initial Monitoring report for 2020/21 that although it could deliver through the C-19 Emergency for 2020/21, it would have severe budget implications for 2021/22. Phase 1 of the budget saw the initial deficit increase from £14.2m up to £35.7m. Main factors here were:

- £5m of Adult Market sustainability and £2m Childrens Placement pressures
- Reductions of the Council Tax and Business Rates bases by £2.3m
- Non delivery of £1.9m of Business Support, £1.0m of Sand Martin House rental income, and £0.9m of Adults existing savings plans

- Collection fund losses of £3.3m a year for 2021/22 through to 2023/24.
- Minimal savings as resources were reprioritised to C-19 of only £2.7m

Estimated 2021/22 MTFS budget gap

Existing budget gap £14.2m + pressures £24.1m - new savings £2.7m = revised budget gap of £35.7m

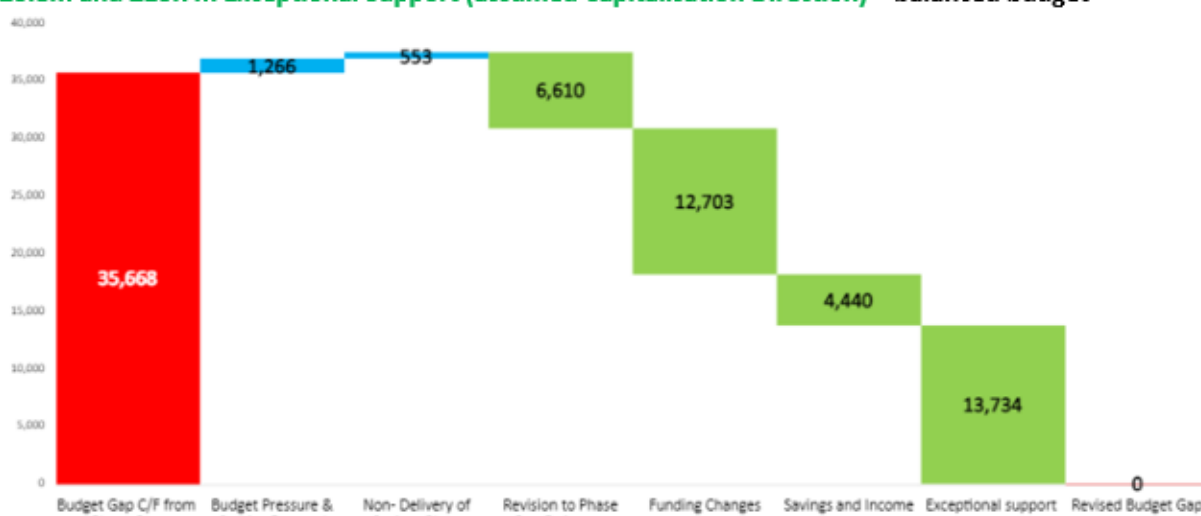


The Council started conversations with MHCLG in October over “exceptional support” for the 2021/22 budget given the projected size of the deficit from Phase 1. These culminated in the Award of up to £4.8m for 2020/21 and MHCLG being “minded” to award up to £20m support in 2021/22. To date we are one of only 4 Councils to have been awarded this “exceptional support”.

Major changes in Phase 2 of the budget were

- Improved profiling of Council Tax and Business Rates bases
- The Local Government Financial Settlement (including a proposed 4.99% Council Tax increase)
- Improvement in Capital Finance Charges (as PWLB improved by 100bps) and £2m of projected Capital Receipts.

Existing budget gap from phase one £35.7m + pressures £1.8m - additional funding & revised estimates £23.8m and £13.7m Exceptional Support (assumed Capitalisation Direction) = balanced budget



The Budget is balanced with the use of the Capitalisation Direction. The budget will be debated and approved at Council on the 3rd March.

4.3 Closure of Accounts 2019/20

The 2019/20 Accounts were closed with a £0.096m underspend position (which transferred to the Capacity Building Reserve) and £64m Capital Programme expenditure. The Council was one

of over 50% of Councils across the Country that did not close its accounts on the 30th November 2020 due to enhanced Audit requirements.

It is now expected that the Accounts will be signed off by the end of the first week of March 2021. The main accounts are expected to have an unqualified opinion however the Value for Money position will be qualified due to the Council's ongoing financial position.

4.4 Budget Monitoring Process 2020/21 and the effects of C-19

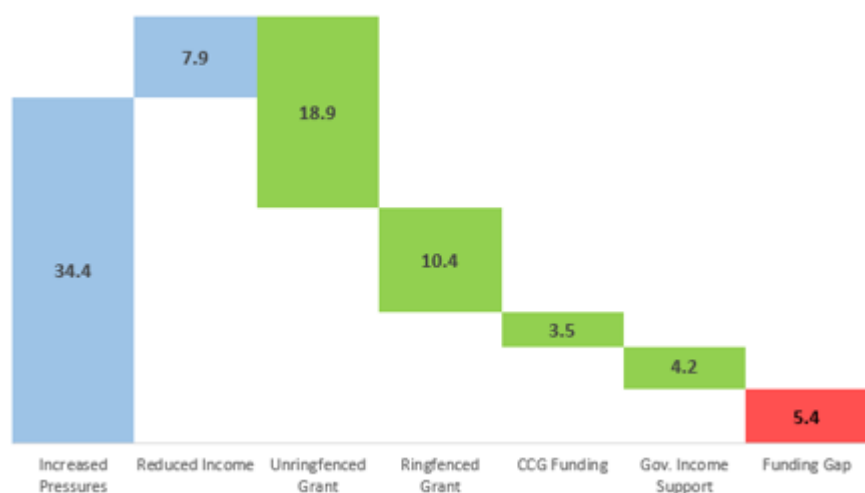
The Council's monitoring position has been reported to Cabinet as each of its meetings. The initial meeting of the year on the 11th May 2020 highlighted the significant impact of C-19 on the 2020/21 financial position and the impact on future years.

The table below highlights the position at December 2020. As the table sets out, pressures have increased throughout the year due to C-19, as has Government support to Councils. This has come in the form of Grant Funding and the Council is now administering around 30 additional individual grants for direct council services.

Source of Pressure & Income	Apr £m	May £m	Jun £m	Jul £m	Aug £m	Sep £m	Oct £m	Nov £m	Dec £m
Direct C-19 Expenditure	7.0	10.1	19.3	23.4	22.6	26.2	25.2	26.6	29.2
Loss of Income	6.8	6.0	6.8	7.9	6.7	7.2	7.4	7.2	7.5
Non-Delivered 2020/21 Savings	4.5	4.8	4.7	6.6	5.5	5.5	5.5	5.5	5.6
Total Pressures	18.3	20.9	30.8	37.9	34.8	38.9	38.1	39.3	42.3
C-19 response fund & unringfenced grants	(11.0)	(11.0)	(11.0)	(13.2)	(13.1)	(13.2)	(18.8)	(18.8)	(18.9)
Additional funding & ring-fenced grants*	-	-	(5.7)	(9.9)	(9.9)	(14.7)	(14.9)	(17.4)	(18.0)
Revised Net Position	7.3	9.9	14.1	14.8	11.8	11.0	4.4	3.1	5.4

The table below sets out how that additional £36.9m of funding is set out

Additional pressures £42.3m less additional funding £36.9m resulting in C-19 funding gap of £5.4m



As part of this process, the Council like all other Councils, has been providing a detailed update on its financial position on a monthly basis to MHCLG. It is also required to provide periodic returns on some of the other 40+ grants it has received since C-19 started.

As part of the monitoring process, the Council has continued with its enhanced controls introduced in 2019/20, which have been very useful in monitoring C-19 income and expenditure.

However, this has only been part of the picture. The Revenues and Benefits Teams have also been spending a significant portion of their time distributing BEIS Grants and delivering Business Rates Relief to a range of Businesses. This support can be split into 2 Phases, April to September and then October through to the present time.

For March to September the team provided:

- Business rates relief of £41.9m to 1,312 Retail, Hospitality and Leisure providers
- Business rates relief of £0.35m to 33 Nurseries
- £32.2m of Small Business Grant Funding (SBGF) for Small, Rural, Retail, Leisure and Hospitality businesses provided by the Department for Business, Energy and Industrial Strategy (BEIS). This has supported 2,654 businesses, this scheme is now complete
- Hardship funding of £1.7m to allocate £150 to those on Local Council Tax Support (LCTS) - this has been processed with 9,201 working age LCTS recipients benefiting from this funding to date;
- Discretionary grant scheme for businesses of which £1.6m of grants have been made to 110 local businesses

The Council were in the top 10 in its speed of issuing BEIS grants in the initial summer period and Grant distribution was reported on a weekly basis by BEIS.

Since the Second lockdown, from the start of November the Council has been providing support to the Business Community via BEIS Grants including:

- Support to 804 closed businesses during the November lockdown totalling £1.4m
- Support to 791 closed businesses since the December lockdown totalling £2.8m
- Distribution of the Chancellors Top up payment to 790 businesses totalling £4.0m
- Distribution of Additional Restrictions Grant (ARG) to 113 open and closed businesses totalling £1.1m. We are presently reviewing 400 additional applications and will be making £300 payments to licenced Taxi Drivers

We have also been supporting the Test and Trace system £500 payments. To the middle of February, we had received 3,038 applications and had made 961 payments with 174 payments pending.

4.5 Delivery to Treasury Management and Prudential Indicator requirements

As part of its Control process, the Council must produce a Treasury Management Strategy as part of the budget process and then via half yearly and outturn reports ensure that it has delivered to these strategies. Any adverse changes have to be reported to Full Council. The Treasury Management Strategy sets out how much and where the Council will borrow to fund its capital investment activities and also where it can invest surplus funds. The Treasury Management Strategy is reviewed via the Audit Committee.

There were no adverse changes to Prudential Indicators during 2019/20.

4.6 Delivery of Revenue and Benefits requirements

The Revenues and Benefits service is delivered through Serco.

In year Council Tax collection at 31 March 2020 was 95.81%, which is 0.02% less than the amount collected by this stage in 2018/19.

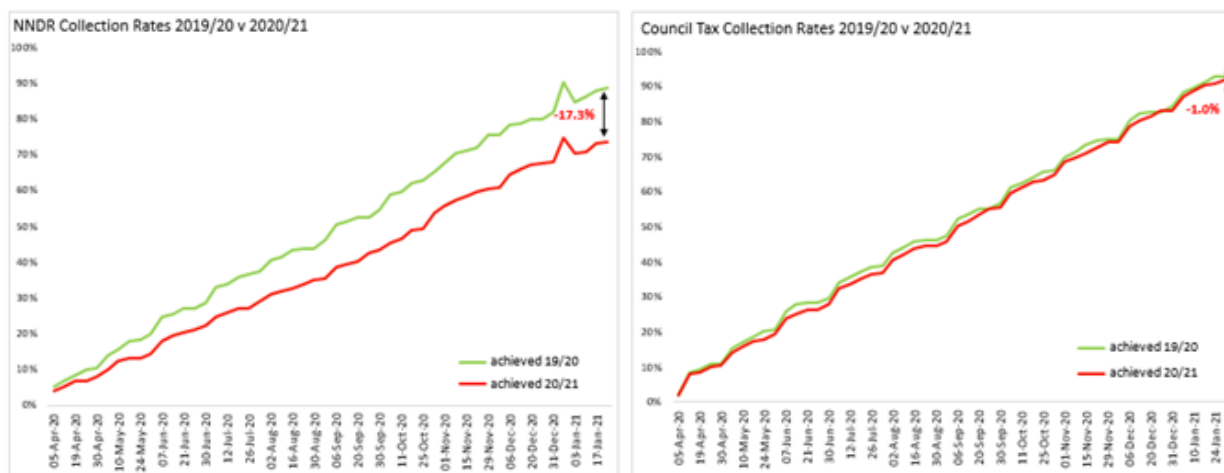
The amount of Council Tax arrears collected by the 31 March 2020 was 15.06%, achieved against a target of 14.31%. The arrears performance has benefited from the continuation of stringent recovery action during 2019/20, including the utilisation of enforcement agents where appropriate and complying with the updated Citizens Advice Bureau protocols.

The in-year collection of Non-Domestic Rates at 31 March 2020 was 97.89%, a decrease of 0.01% compared with 2018/19.

In terms of Non-Domestic rates arrears, the amount achieved was 51.89% during 2019/20 against a target of 30.00%.

As part of the 2019/20 Budget process, the Council has introduced a revised Council Tax Support Scheme. As part of this, the way the overall calculation is made has been changed and a 1% increase of rate has been introduced in each of the next three years.

Collection during 2020/21 to date has been significantly affected by C-19. The following 2 graphs show the position to the end of December 2020. Council Tax collection performance is 1% down on the previous year and Business Rates performance is 17.2% down. The Government has introduced schemes to spread Collection Fund losses over the next 3 financial years but the Business Rates non delivery needs close monitoring as we move into the next financial year.



4.7 Financial control reports delivered through Audit Committee

Significant control reports are reported through the Audit Committee. These include (discounting the Statement of Accounts Reports already mentioned above):

- An updated Consultants and Agency Report which comes to every meeting to monitor levels of use;
- The Internal Audit Plan – which sets out areas of focus for the upcoming year;
- Risk Management Reports – which set out Council delivery risks;
- Write Off Reports – Only one minor report has been issued in 2020/21 totalling £116k due to the effects of C-19
- Fraud and Investigations reports – the Council has relatively low levels of fraud compared to other Councils.

4.8 Specific Projects

A number of specific projects have also been run during the year. These have included:

- Work has continued on exiting from the Councils Empower Loan agreement, which is being converted from a short term to a long-term loan as per the Cabinet Member Report issued in the autumn of 2020;
- Ensuring that financially the Council keep on top of the additional pressures and funding of the C-19 Emergency

4.9 Serco Annual Report

4.9.1 This is an opportunity for the Committee to hear from and question both officers of the Council and Serco on the performance of Serco since April 2019.

The Serco 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

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

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

The initial contract was for 10 years to November 2021, which included extension clauses for a further 10 years. These clauses were exercised in November 2018 and the contract was extended to run through to November 2031.

The ICT Managed Service operated by Serco since 1 October 2009 returned to the council at the end of the contract on 1 October 2020. At this time responsibility for the delivery of ICT transformation projects also returned to the council.

4.9.3 The following net figures were reported to members in July 20 as part of the Council's year-end Budget Monitoring Outturn Report:

Department	Council Budget £000	Contributions From Reserve £000	Revised Budget £000	Actual Outturn £000	Variance £000
Peterborough Serco Strategic Partnership	7,586	12	7,598	8,788	1,190
ICT	6,891	444	7,335	7,004	(331)

Items highlighted in the report were as follows:

Peterborough Serco Strategic Partnership (PSSP) - overspend £1.190m
The overspend in this service is from a combination of 2 main areas:

- Within the BCR reporting throughout the year, ADP (Annual Delivery Plan) costs of £0.065m per month, created an adverse variance against the budget due to some stranded core project costs remaining on the core PSSP budget. Following receipt of a breakdown from Serco there was a re-allocation of these costs to project budgets, totalling £0.582m. Therefore, the total ADP/BTSI costs remaining within Resources Directorate was £0.411m.
- There was a pressure of £0.796m in relation to Housing Benefit (HB). The Council had been receiving and budgeting for additional income from recovering HB overpayments. Incidences of overpayment are now reduced, as rent allowance payments and housing subsidy both reduce in line with the roll-out of Universal Credit. There was an improvement on the collection of more recent arrears, but there are other arrears which are older and proving challenging to collect, and therefore increasing the level of bad debt provision required, this creates a revenue pressure for the Council. The 2020/21 budget has been amended to reflect the revised level of HB and therefore there should be no further pressure pressures reported.

ICT - £0.331m underspent

- There was a £0.351m favourable outturn on the third-party software budget. This is due to the Council incurring lower than budgeted costs in relation to Microsoft 365, Salesforce licenses and Google licenses as the transfer to Microsoft was finalised quicker than originally expected.
- There was a £0.118m pressure off setting this, which relates to capital financing charges for ICT work, which were not budgeted for.

The issues identified above have been addressed in 2020/21 through the Council's budget setting programme and ongoing transformation work.

Details of some of the key activities and achievements of the partnership can be found at Appendix A. These have been grouped by service area for clarity.

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

Serco currently employ just over 300 staff on the PSSP contract.

4.9.4 The PSSP is formally measured against 20 (22 until 30/9/20, when the Financial Systems Support team moved back to the council) Key Performance Indicators across 5 (6 until 30/9/20) Service areas and delivery for 2019/20 is summarised in the following table.

Service Area	Jun 19 Target	Jun 19 Hit	Sept 19 Target	Sept 19 Hit	Dec 19 Target	Dec 19 Hit	Mar 20 Target	Mar 20 Hit
Shared Transactional Services	9	5	9	5	9	6	9	9
Business Support	1	1	1	1	1	1	1	1
Customer Services	1	1	2	2	2	2	2	2
BTSI	0	0	0	0	0	0	1	1
Financial Systems Support	1	1	1	1	1	1	1	1
Procurement	5	5	5	5	5	5	5	5

There were no KPI service failures during 2019/20 and no service credits applied.

Two KPI's were suspended during this period:

- a. Business Support - % of tasks completed to deadline due to the work management system no longer being supported following a move of Platform
- b. Customer Services - % of telephone calls answered due to the CRM system used at the time requiring dual input

A further KPI in Financial Systems Support is not reported on as no priority 1 calls were raised during this period in respect of this service.

More detail of KPI performance throughout 2019/20 can be found in Appendix B:

For 2019/20 the ICT contract delivery is based on 17 key performance indicators until June 2019 and 16 key performance indicators from July 2019.

The ICT KPI performance is detailed in Appendix B

Every indicator was met throughout the reporting period, with the exception of one:

- Fulfilment of Priority 4 ICT Request - which was not met in December 19 – this was due to the close down of offices over the Christmas and New Year period.

4.10 NPS Annual Report

4.10.1 The purpose of this report is to provide the Committee with the NPS Peterborough Business Plan and strategic overview of how the business supports Peterborough City Council. The attached slides (Appendix C) provide additional background information.

4.10.2 NPS Peterborough Ltd is a 50/50 joint venture company owned by Peterborough City Council

and the Norse Group (a wholly owned subsidiary of Norfolk County Council).

The objectives of the joint venture are to support the City Council's property aspirations through the delivery of its property estate functions and provide strategic asset management advice to support the City's growth and regeneration ambitions. The joint venture can also commission and provide other professional property services that support the Council's agenda.

4.10.3 The annexed presentation seeks to address the areas of responsibility NPS Peterborough Ltd perform in the delivery of its strategy aligned to the Council's corporate priorities. The annex also sets out the high level NPS Business plan for review for this year and delivery over the past 4 years.

4.10.4 Key areas to highlight in the annex include:

The key Areas of Business are:

- Strategic Asset Management
- Improving the Commercial/Industrial Estate
- Improving the Rural Estate
- Housing
- Building Management Services

In these areas the key successes have been

COVID Related

- Assisted in the set-up of the Temporary Body Storage unit at Fletton Centre
- Assisted in setting up a COVID testing facility for Schools at unit 5 Royce Road
- Implementing the integrated traffic light-one way system at Sand Martin House
- Implementing safety measures in all corporate/staff occupied buildings.
- Assisting with Corporate/Staff occupied building closures and preparation for building repopulation

Building Related

- PM delivery of Town Hall North (completion April 2021)
- PM delivery of Marshfields School expansion (completion April 2021)

Asset Management

- Conducted Options Appraisals on Asset portfolio
- Conducted Asset Valuation programme – visiting all major sites
- Continued to engage and push Community Asset Transfers to mitigate running costs for PCC

Other

- Managed investment portfolio and continued to let space during lockdown
- Increased rent roll at EIC by £23.5K pa & saved £10k pa on telephony and internet provision
- Worked closely with Aragon to deliver on going programme of rural and housing condition surveys

The report also sets out in the financial section to turnover since 2016/17 and how NPS are planning to develop its staff

5. CONSULTATION

5.1 Not Applicable - this is an update report for information

6. ANTICIPATED OUTCOMES OR IMPACT

6.1

7. REASON FOR THE RECOMMENDATION

- 7.1 To update members on the progress of items under:
- The responsibility of the Cabinet Member for Finance
 - An update on Serco delivery 20/19/20 and to the end of January 2021
 - An update on NPS delivery 2019/20 and to the end of January 2021

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 This is an update report on the work undertaken under the remit of the Cabinet member for Finance as well as update reports on existing contracts with Serco and NPS.

9. IMPLICATIONS

- 9.1 There are no direct implications arising from this report. It is provided for information and comment.

Carbon Impact Assessment

- 9.2 *Summarise here the results of your completed Carbon Impact Assessment Form (form to be submitted to the Transport and Environment Team).*

10. BACKGROUND DOCUMENTS

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

- 10.1 Cabinet reports, Audit Committee reports and Cabinet Member Decision notices relating to the Cabinet Member for Finance for the Period 1st April 2018 through to the 31st July 2019.

11. APPENDICES

- 11.1 Appendix A – Serco Key Activities and Achievements since April 2019
Appendix B – Serco Performance and KPI's
Appendix C – NPS Business Plan 2020/21

Appendix A

Serco key activities and achievements since April 2019

Business Support

Our Business Support has continued to work closely with PCC colleagues to provide a high level of service while supporting the Council in reducing spend. In conjunction with the Directorates, the work to scrutinise posts due to become vacant and any requests for non-core work orders is forecast to result in a reduction in spend in Business Support by PCC from c.£4m in 2018/19 to c.£3.2m in 2020/21, a c.20% reduction. Teams, such as the Central Support Unit, have also worked to protect spend, monitoring and challenging expenditure such as on first-class post and stationery.

Payroll and HR Support have worked very well with their PCC colleagues to support 4 elections in 2019 and implement significant changes to both payslips, following new legislation, and the pay structures. More recently the team has been heavily involved in the upgrades to ResourceLink, including the absence

module and preparation for re-platforming and future modules, such as expenses.

Business Support's commitment to employee development and recognition saw a number of employees successfully complete qualifications, with further qualification and development courses identified for 2021, and 2 employees recognised by Serco Citizen Services with Serco Value awards, for their excellent work in representing Serco's core values.

The impact of COVID-19 saw the team respond fantastically, as we mobilised from almost an entirely office-based operation to nearly all employees becoming home-based or agile, while ensuring little or no impact on service. This included working with Council colleagues to put a number of new processes in place which we expect will remain in place post-COVID-19. Services that cannot be delivered remotely, such as petty cash, continue to be delivered in a safe and secure way in SMH.

The team also supported with the Winter Support Scheme and continue to work well with service areas and adapt positively to the ongoing changes required as the response to the pandemic continues.

Business Transformation and Service Improvement

Sand Martin House programme – Serco continued with managing the Sand Martin House programme, moving from the set-up of the new building, to managing the moves into the building. This included more agile working promotion, to ensure that the reduction in desks across the council did not impact any ways of working.

Continuing with Service improvements a full refresh of desktops and laptops moving everyone onto Windows 10 devices took place throughout 2019/20 leaving a limited number for Chromebooks in the estate. The Windows Server estate was also refreshed as part of the council's commitment to meet compliant standards throughout.

We successfully migrated all council staff from the incumbent google suite to Microsoft office 365 which involved the relocation of 2625 accounts being moved along with 3.7 terabytes of data comprising nearly 2.8 million items.

We carried out a number of ICT system upgrades to key systems such as Capita One Educate, Electronic Documents and Records systems and Special Educational Needs to name a few.

During early 2020 the council achieved funding to investigate renewable energies from the government, this has passed through the first phase successfully and is currently running through the design phase after achieving a second round of funding from the government. This could potentially lead to further funding of up to £42m for implementation which would be due in 2021.

Data Centre amalgamation – A programme is in flight which will see Cambridge data centre relocated to Sand Martin House. During 2020 the Data Centre was expanded and rationalised to allow for additional racks to be deployed and free up space in readiness for the relocation. During the first few months of 2021 the moves of the servers will take place, Covid permitting.

The ICT function was successfully moved back into the council on the 1st October 2020 invoking several TUPE transfers from Serco into the council and all associated ICT projects were handed back to the council for future delivery.

COVID-19 response has seen an unprecedented change in our operating model to assist the council with changes. The whole team continue to work from home (except for when individuals need to be onsite for certain activities), and we continue to respond and adapt to the council's needs.

Business Transformation has been delayed this year due to COVID-19 requiring additional services to be set up and an increase of support required for Citizens, however the overall transformation programme continued supported by Serco and achieved significant savings throughout the year.

Customer Services

Following the announcement of the first lockdown effective from 24 March 2020 all customer service staff were asked to work from home. Most were working effectively within days, with no effect on service provision except for the reception services including the customer service centre, which were closed to the public. All staff were issued with laptops and associated ICT equipment to answer calls from home. For some areas adjustments to processes were needed and any changes were agreed with the service area concerned, for example, permits for the HRC could be emailed to customers as printed versions were not possible.

At present, most staff are still working from home and delivering services effectively. Where individual staff members have had issues with their mental health and well-being or a poor work station set up at home, then they have been able to work from the office. Currently up to 10 staff are working in the call centre on 2 or 3 days per week.

It is very pleasing to note that in the latest customer satisfaction survey, 98.7% of customers surveyed were either satisfied or very satisfied with the quality of service they received.

Since April 2020, almost 5,000 Key Worker ID cards have been issued to staff who work for the Council, Cambridgeshire County Council or Partner organisation so they were able to continue their work, which involved travel outside their homes.

As lockdown started to ease in the early summer of 2020, the Town Hall was opened for Inquests only and the Coroners service was assisted by our Beadle team to help ensure they could be conducted safely. In addition, the Beadle's have also been issuing PPE items to staff and carers from SMH.

The reception at Sand Martin House was also partially opened and reception staff have assisted with customers attending for planned appointments, taking in deliveries and administering the ID card function. The reception team have also been answering calls in respect of Covid 19 issues e.g. assistance with shopping, prescription deliveries etc and also more recently in relation to Winter Support grant, vaccination centres and Lateral Flow Testing sites.

The Customer Services team was successful in retaining the prestigious Customer Service Excellence accreditation in August 2019 and October 2020, increasing the number of areas of compliance plus (going beyond the required standard) from 15 to 19 out of 57. Due to the pandemic, the October 2020 assessment was a virtual one, with all meetings held via Teams, which was a first for the assessor and ourselves. Councillor Farooq and a number of Peterborough City Council managers supported the inspection by taking part in a number of virtual meetings with the assessor.

Procurement

The Procurement team have delivered over £5m in savings during the period April 2019 to January 2021.

During the last 22 months the team have completed 54 Sourcing Initiatives (29 OJEU level) across the Council with 66 initiatives in progress, 9 of which are joint initiatives with Cambridgeshire where Serco Procurement is the lead.

The move of the Council's e-sourcing systems from Delta & Supplierforce to SourceDogg reduced costs to the council from £90k to £27k over the 3 year contract which is due to end in July 2021.

The Procurement Service continues to work closely with colleagues in Cambridgeshire County Council to agree a joint approach to procurement in terms of standards, production of activity and capacity data and to produce a joint forward plan for procurement by March this year. In addition it has been agreed that the 2 procurement services will use the same e-sourcing portal from April 2021 so once the contract with Sourcedogg ends both services will be using Pro Contract in order to minimise the cost of system development and cost of licences going forward.

We have consolidated the support provided to the Council's trading organisation, Aragon Ltd, with the appointment of a permanent Category Manager to undertake all related procurement work.

In October 2020 the team took on the delivery of all ICT Category spend following the repatriation of the delivery of ICT Commissioning and Services from Serco to the Council. Approximately 200 contracts with a value of circa £4m are now being reviewed and a medium to long term pipeline of work has been created to maximise savings and ensure compliance to Public Contracts Regulations.

The team have also taken over the co-ordination of the Exemptions process and are developing a more efficient method of processing these via an electronic form similar to the one used in Cambridgeshire.

Shared Transactional Services

During 2019/20, £98.8m of business rates and £92.8m of council tax was collected meaning that both Key Performance Indicators were hit. In itself, this is not especially noteworthy but what does make this performance standout is the fact that only limited recovery action was possible during March 2020 as the pandemic started to take grip.

The benefits team awarded £47.8m in Housing Benefit and £9m in Council Tax Support to 15,000 households in 2019/20. A further £498k was distributed in discretionary awards.

The year also saw the best ever performance in processing times in benefits with the average time to process new claims and changes being just 4.6 days, putting Peterborough in the top 10% of all Local Authorities for speed of processing new claims.

Towards the end of 2019 electronic notifications for landlords was introduced to complement the existing online self-service system, which has resulted in saving thousands of paper documents from being produced.

An amended Council Tax Support scheme was also implemented from April 2019.

A review of Single Person Discount entitlement in conjunction with the National Fraud Initiative (NFI) was undertaken during 2019/20 using data matches, reviews and visits identified 162 incorrectly being incorrectly claimed resulting in a saving of £80k.

A separate review of empty properties identified over 200 occupied properties resulting in additional funding for the council through the New Homes Bonus scheme.

In 2019 with the creation of Peterborough Limited our Accounts Payable and Accounts Receivable teams took on the processing of payments and debt recovery for the new company and has subsequently added to this with the processing of over 750 allotment payments in 2020. In December 2020, following Aragon expanding to take on elements of Vivacity this work was transferred back.

The automation of payment files within Accounts Payable in relation to Children's Services and Adult Social Care payments was implemented in 2019/20 and resulted in savings of over £70k per year for the council.

The STS team have also assisted with a number of major system upgrades including the first upgrade to Agresso since 2015, Mosaic and the implementation of the Department for Work & Pensions (DWP) automation project to enable the automatic notification of DWP benefit changes to the council to speed up processing and reduce errors.

In recognition of the performance and projects undertaken by the STS team with the council in 2019/20 the Revenues & Benefits team were shortlisted by the Institute of Revenues, Rating and Valuation (IRRV) for the Excellence in Partnership Working award.

Since March 2020 COVID-19 related activity has been the primary work focus in Shared Transactional Services.

The biggest task has been to assess entitlement to and award reliefs to offset business rates liability or make payments of mandatory and discretionary grants to local businesses.

The initial grants were primarily awarded to support businesses through the early months of the pandemic including the first lockdown with a range of new grants being administered since the second national lockdown in November 2020.

To date the following support has been provided to local businesses:

- Awarding £41.9m in retail relief to 1,312 businesses and £350k in nursery relief to 33 accounts
- Payments of £20m in grants to over 2,000 small businesses and £12.2m in retail grants to 2,654 businesses
- A further £1.6m in discretionary grants to 110 businesses were paid during the Summer
- Since the November lockdown a further £7m in grants has been paid and further payments are currently being processed

In addition to the support provided to local businesses, the team have also awarded £1.4m to 9,650 families in receipt of Council Tax Support to help them meet their council tax liability for the year.

The team have also increased benefit awards to over 2,500 Housing Benefit customers following changes made to Local Housing Allowance rates, increased earnings allowances and increased tax credits.

The team have also supported those in the care sector with increased Adult Social Care payments made to customers to help meet additional Covid related costs.

The other major Covid related task the team have been delivering is the test and trace support payment scheme, which awards £500 to individuals who have lost earnings as a result of having to self-isolate and cannot work from home.

The scheme started on 28th September 2020 and is currently due to run until 31st March 2021. To date over 1,000 payments have been made to individuals requiring this support. Peterborough continues to receive significantly more claims than the rest of Cambridgeshire combined.

Covid has had a significant impact on the financial position of many residents and businesses. The Council were keen to support both during this difficult period and a more lenient approach to debt recovery was agreed, to ensure even more pressure was not being placed on those most badly impacted financially by the pandemic. This position was replicated by central government by, for example courts not being open to conduct local taxation liability hearings until September.

Formal council tax recovery action resumed in August, initially with 'soft' reminders, followed by normal recovery action from September onwards. Collection rates have remained strong despite the 3 lockdowns and downturn in the economy, with collection being less than 1% down on 2019/20 rates. So far £92.5m of £100.6m has been collected.

Business Rates recovery action has been on hold due the current financial situation many businesses face, but recovery action has recommenced In February, initially with soft reminders and targeted calls. Due to the various reliefs in 2020/21 the net collectible figure (£62.7m) is not comparable with 2019/20 (£101m), but collection currently stands at £46.7m.

Despite these challenges, our business rates team have been recognised by the Department for Business, Energy and Industrial Strategy for being one of the top performing teams for the speed at which they paid grants to local businesses impacted by Covid 19 during the first lockdown.

The transfer of housing benefit caseload to Universal Credit continues, although at a slower rate than previously expected. There are 8,500 housing benefit claims and a total of 14,300 claims (including council tax support). £45m is expected to be paid in Housing Benefit in 2020/21 and £9.3m in council tax support.

A new DWP initiative to reduce fraud and error started in October 2020 with the introduction of targeted

reviews, focussing on reviewing claims that are considered at the highest risk of being incorrect based on DWP risk scoring and analysis. 750 reviews will take place from October to March, with the scheme expected to continue for a further 4 years.

Staff Development

Serco remains committed to the development of our staff through apprenticeships, up to degree level, as well as a range of other formal professional qualifications.

Last year two members of our team successfully completed the Chartered Manager Degree Apprenticeship (CMDA). Although we have had numerous team members who have achieved apprenticeship qualifications at a number of levels these are the first members of our team to achieve this level and both received First Class Degrees.

Appendix B – Serco Performance and KPIs

Service Area	Performance Measure Ref	Description	Freq	Jun-19 Target	Jun-19	Sept-19 Target	Sep-19	Dec-19 Target	Dec-19	Mar-20 Target	Mar-20
KPI's											
STS	STS-K-009	Completion of statutory returns	M	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	R&B-K-001	Achievement of the in year Council Tax collection rate target	A	29.53	29.60	56.73	56.54	84.03	84.08	95.80	95.81
	R&B-K-002	Achievement of the in year business rates collection rate target	A	29.03	28.60	55.88	54.37	82.45	81.73	97.80	97.89
	R&B-K-007	Council Tax arrears collection	A	6.13	5.37	9.61	8.65	12.17	11.44	14.31	15.06
	R&B-K-008	Percentage collection of former years arrears to be within agreed annual target agreed with the authority (Business Rates)	A	15.10	18.83	21.91	27.12	25.97	39.64	30.00	51.89
	R&B-K-009	Debt recovery - Parking	M	14.00	6.06	14.00	6.50	14.00	2.75	14.00	2.17
	R&B-K-009a	Debt recovery - Housing Benefit Overpayment	A	8.74	6.88	15.57	13.78	21.12	19.14	26.00	26.70
	R&B-K-009b	Debt recovery - Sundry Debt	A	65.00	71.01	68.50	64.03	74.00	68.82	63.00	53.85
	R&B-K-011	Average time to process housing benefit claims and changes	A	16.00	5.35	16.00	6.31	16.00	6.38	16.00	4.57
9											
BS	PAY-K-001	Ensure all payroll deadlines are met	M	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	BS-K-002	Business support tasks completed to deadline	M	97.00	Suspended	97.00	Suspended	97.00	Suspended	97.00	Suspended
2											
CS	CS-K-001	% of customers satisfied with the service they received	M	95.00	Not Measured 6 monthly survey	95.00	97.00	95.00	Not Measured 6 monthly survey	95.00	Not Measured 6 monthly survey
	CS-K-002	% of telephone calls answered	M	83.00	Suspended	86.00	Suspended	88.00	95.00	83.00	89.00

	CS-K-006	% of First Call resolution in Call Centre (excluding switch)	M	85.00	93.00	85.00	95.00	85.00	99.00	85.00	95.00
	3										
Service Area	Performance Measure Ref	Description	Freq	Jun-19 Target	Jun-19	Sept-19 Target	Sep-19	Dec-19 Target	Dec-19	Mar-20 Target	Mar-20
BTSI	BT-K-002	Delivery of outputs as agreed in the annual delivery plan. Performance to be tracked against milestones as agreed in the annual delivery plan	A	85.00	Not Measured annual measure	85.00	Not Measured annual measure	85.00	Not Measured annual measure	85.00	97.56
	1										
	FS-K-001	Complete month and year end BCR and DCAL processes	M	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
FSS	FS-K-002	Within the working hours 09:00am and 17:00pm Monday to Friday (excl public holidays) to respond to all priority 1 calls within 1 hour	M	90.00	Not measurable no call received	90.00	Not measurable no call received	90.00	Not measurable no call received	90.00	Not measurable no call received
	2										
	PRO-K-002	Deliver key stages of procurement strategy	Q	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
PRO C	PRO-K-004	Produce a Quarterly Report on procurement and supplier management covering; Directorate spend, Expenditure by commodity, Expenditure on/off contract by owner of the contract (non-CPU and CPU); Contracts falling due for renewal where known to CPU, Identification of opportunities for savings and efficiencies, Purchase order compliance, Sourcing activities where known to the CPU and other activities where known to the Partner' P-Card usage and exceptions, Spend analysis activities, Exemption requests (i.e. requests for exemptions from Contract Regulations).	Q	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Performance Measure Ref	Description	Freq	Jun-19 Target	Jun-19	Sept-19 Target	Sep-19	Dec-19 Target	Dec-19	Mar-20 Target	Mar-20
	PRO-K-005	Create & Maintain a contract register for all Corporate Contracts and Non - Corporate contracts (where known).	M	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

PRO-K-006	Co-operate with the Authority's Legal Services to provide timely and appropriate documentation and other necessary information to enable the Authority's Legal Services to prepare the contracts for signing.	M	100.0 0	100.0 0	100.0 0	100.0 0	100.0 0	100.0 0	100.0 0	100.0 0
PRO-K-007	Provide a monthly compliance report on Purchase Cards	M	100.0 0	100.0 0	100.0 0	100.0 0	100.0 0	100.0 0	100.0 0	100.0 0
5										

ICT

KPI	Performance Indicator	Target	Detriment	Failure	Jun-19	Sep-19	Dec-19	Mar-20
1	Resolution of severity 1 incidents (2 hrs)	0 failures	1 failure	2 failures	0	0	1	0
2	Resolution of severity 2 incidents (1 business day)	0 failures	1 failure	2 failures	0	0	0	0
3	Resolution of severity 3 incidents (2 business days)	90%	87%	84%	100%	100%	100%	100%
4	Resolution of severity 4 incidents (4 business days)	90%			97%	97%	97%	97%
7	Fulfilment of priority 3 service requests (4 business days)	90%	87%	84%	100%	100%	100%	100%
8	Fulfilment of priority 4 service requests (8 business days)	90%			97%	90%	88%	92%
9	Call answering (within 20 seconds)	80%	77%	74%	81%	85%	86%	88%
10	Call abandoned rate	< 5%			3%	2%	3%	3%
11	First point of contact fix	50%	46%	42%	38%	n/a	n/a	n/a
12	Key application availability	0 failures	1 failure	2 failures	0.00	0.00	0	0
s13	Gold application availability	1 failure	3 failures	4 failures	0.00	0.00	0	0
14	Silver application availability	98%			100%	100%	100%	100%
15	Network availability of individual primary Council Premises	0 failures	1 failure	2 failures	100%	100%	100%	100%
16	Network availability of all resilient Council Premises	99.50%	99.00%	98.50%	100%	100%	100%	100%
17	Network availability of all non-resilient Council Premises	99.00%			99.30%	99.70%	99.8%	99.3%
18	Project success index	1 failure	2 failures	3 failures	0%	0%	0	0
19	Measurement of customer satisfaction	>3.5			4.20	4.00	4.4	4.7

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