

	<p>Performance and Contract Management Committee</p> <p>31 May 2016</p>
<p style="text-align: right;">Title</p>	<p>Clienting Arrangements - Customer & Support Group (CSG) Contract</p>
<p style="text-align: right;">Report of</p>	<p>Director of Resources Director of Commercial Director of Strategy, Communications & Customer Services</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>No</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix 1: Structure Chart – CSG clienting and contract management</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Anisa Darr, Director of Resources, anisa.darr@barnet.gov.uk Caroline Woolf, Interim Director of Commercial, caroline.woolf@barnet.gov.uk Philip Hamberger, Partnership Relationship Manager, Philip.hamberger@barnet.gov.uk</p>

<p>Summary</p>
<p>This report provides the committee with an overview of the current clienting and contract management arrangements in place in respect of the Customer and Support Group (CSG) contract.</p>

<p>Recommendation</p>
<p>1. That the Committee confirm they are satisfied with the clienting and contact management arrangements in place in respect of the CSG contract.</p>

1. WHY THIS REPORT IS NEEDED

1.1 At Audit Committee on 19 April 2016, the clienting and contract management arrangements in respect of the CSG contract were discussed and this paper sets out the current arrangements in place.

1.2 The current arrangements, as discussed in this paper and shown in Appendix 1, have evolved from the arrangements that were in place at contract commencement. The commercial and clienting team have been strengthened to ensure CSG's performance is proactively being managed. These arrangements are robust but will continue to be reviewed.

Commissioning of services

1.3 The lead commissioning role for CSG is split between the Director of Resources, the Director of Strategy, Communications and Customer Services and the Director of Commercial.

1.4 The Director of Resources is the lead commissioner for support services within the core contract; IT, estates, finance, HR, Revenues and Benefits and Health and Safety.

1.5 The Director of Strategy, Communications and Customer Services is the lead commissioner for Customer Services, which includes face to face contact centres, telephone and web.

1.6 The Director of Commercial is the lead commissioner for procurement and the governance of projects and programmes delivered through the corporate programmes team. However, depending on the projects or programmes being delivered, the outcomes will be closely monitored with the relevant service as well.

1.7 All three directors are part of the same management team, reporting to the Chief Operating Officer. The management team meets regularly to ensure there is an awareness of achievements, risks, issues and escalations from the CSG contract across the teams and lessons learnt are applied across all areas.

Formal Governance

1.8 The performance of the CSG contract is monitored and managed by officer of the clienting and commercial team and discussed at two Partnership Operations Boards (POBs). There is a POB for Performance and one for Projects, each attended by representatives from both LBB and Capita. POB formally records CSG's performance against its Key Performance Indicators (KPIs), Performance Indicators (PIs) and other obligations and meets monthly, with officers challenging underperformance, highlighting risks and recognising achievements.

1.9 Issues that cannot be resolved at the POBs are escalated to the Strategic Partnership Board (SPB). The key function of SPB is to provide the overall vision and direction of new services and projects and provide a forum for

financial and commercial discussions. SPB meets quarterly and is attended by senior staff from LBB and CSG.

- 1.10 Performance against KPIs and PIs are reported to this Committee on a quarterly basis along with other external and internal delivery units.
- 1.11 There are also weekly meetings between the Director of Strategy, Director of Resources and the Director of Operations of CSG to track progress of important issues relating to the different elements of the contract.

Client team

- 1.12 The clienting team is made up of subject matter experts referred to as Senior Responsible Officers (SROs) in relation to the contract. The role of the SRO is:
- To be the client centre of expertise in respect of the services provided by CSG;
 - To challenge the quality aspect of the services;
 - To own and develop the council strategies relevant to the services provided by CSG (e.g. Customer Access Strategy, Community Asset Strategy, Organisational Development Strategy, Medium Term Financial Strategy, etc.);
 - To act as the key link between the services being delivered by CSG and the delivery units that services are being provided to; this is to ensure support services are flexible to the changing priorities of delivery units;
 - To assure the delivery of a range of complex projects and programmes.
- 1.13 The clienting team works closely with the commercial team to scrutinise CSG performance and where appropriate apply challenge.
- 1.14 The clienting team typically takes an outcome and risk based approach to ensure they have oversight and input into the quality and delivery of day to day services that will have the most impact on residents, external partners or members and has a high likelihood of risks materialising.
- 1.15 In respect of the services provided through the core element of the contract, the clienting arrangements are as follows:
- 1.16 **Estates:** Led by a Head of Estates and supported by an Estates Lead and a Capital Works Lead. The focus of the former is on day to day operational estates activities (e.g. lease renewals, valuations, etc.) and the focus of the latter is on ensuring capital works, e.g. schools expansions – temporary and permanent – have appropriate oversight from an estates technical officer. This structure allows the Head of Estates to focus on implementation of the Community Asset Strategy, development of the Strategic Asset Management Plan, delivery of pilot community hubs.
- 1.17 **IT:** Led by a Head of IT and Information Management (IM) and is supported by a team focusing on information management, emergency planning

including business continuity, GIS and IT. Head of IT and IM runs the security forum reviewing adequacy of physical and information security. Head of IT and IM has been involved in strengthening CSG's business continuity arrangements and developing the IT strategy that will underpin the Smarter Working and Customer Transformation Programme.

- 1.18 **HR:** Led by an interim Head of HR who cliented the service out of their remedy notice period. A key focus of this role has been on ensuring unified reward has been developed with appropriate engagement with staff, trade unions and other relevant stakeholders. In addition, the role has focussed on developing the HR service to meet the needs of the organisation, through policy changes, support to enable changes within council services. The role has led on the development of an Organisational Development Strategy and Learning and Development offer to the staff.
- 1.19 **Customer Services:** This is led by the Head of Customer Strategy and Programmes and is supported by a Customer Strategy and Improvement Manager. As well as clienting 'business as usual' customer services, the team's main objective is leading the development of and implementation of the Customer Access Strategy, promoting 'digital by default' and services to Members (including Members Enquiries).
- 1.20 **Revenues and Benefits:** The Revenues and Benefits Manager reports to the Head of Finance and is focused on ensuring welfare reform changes are implemented correctly by CSG. This role also reviews new templates for communication with residents and annual bills. The changes proposed in the Business Rates Retention Scheme are a key focus for this role in the next year. This role is supported by two benefit checkers, ensuring that ten per cent of benefits assessed are reviewed to ensure the accuracy rate is high in order to safeguard the council from penalties from Department for Work and Pensions.
- 1.21 **Finance:** The Head of Finance is supported by a Finance Manager, Financial Analyst and the insurance team. This role leads on the preparation of the annual update to the Medium Term Financial Strategy; including revenue and capital elements. Ensuring the organisation is receiving robust financial advice from the CSG team is a key consideration for this role, especially in the backdrop of increasing demand and reducing resources.
- 1.22 **Health and Safety:** The organisation is supported by the Head of Safety, Health and Wellbeing in disposing of its statutory responsibilities in respect of Health and Safety. This role works closely with the Head of Estates and the Head of HR to ensure responsibilities in respect of the estate and workforce are adequately considered.
- 1.23 **Procurement:** Led by the Partnership Relationship Manager, who ensures that the service is providing the level of support and expertise expected.
- 1.24 In respect of the projects and programmes provided through the Corporate Programmes team, the clienting arrangements are as follows:

- 1.25 **Programme governance:** the client side programmes team has responsibility for the Council's overarching programme and project delivery plan. The team works with Sponsors (i.e. Directors) to ensure programmes and projects are set up and managed effectively to deliver the right results. The team owns the Council's approach to programme and project management, giving advice and challenge to ensure consistency in the quality of business cases being produced.
- 1.26 **Advisory and assurance:** the client side programmes team advises on how to commission projects from CSG, to ensure that activities and milestones are clear, achievable and outcome based, and that the right capability is in place to deliver the required results. The team monitors delivery of the portfolio of programmes and projects, via relevant governance boards and weekly / monthly monitoring. The team also works with third parties such as internal assurance (PWC) and Local Partnerships for external assessment of how effective our programme and project delivery arrangements are. Finally, the team works with Sponsors, CSG and other project teams to focus on areas of greater risk or potential challenge, to ensure that effective remedial plans are put in place.

Commercial team

- 1.27 The commercial team is responsible for:
- Managing service performance – assessing whether the services being delivered meet required standards, whether remedial measures are effective and whether there are any trends evident in the provision of the services;
 - Agreement administration – ensuring obligations and responsibilities are met and that under-performance, risks, payment of the service charge, reporting and change are all managed effectively;
 - Relationship management – establishing relationships, communication routes and systems so that a sustainable partnership of trust and respect is maintained;
 - Partnership growth – work with our partners to grow existing contracts to provide better value services for Barnet;
 - Escalation – primary escalation point for delivery units' issues regarding services delivered through the contract.
- 1.28 CSG contract performance is underpinned by 31 KPIs, 10 Super KPIs and 91 PIs across 7 service areas. The PIs demonstrate the required performance of the services. KPIs and Super KPIs are contractually bound and any changes are managed by the change protocol set out in the contract and reported retrospectively to this Committee.
- 1.29 As part of the current CSG contract review being carried out, the KPIs and PIs are being reviewed with proposed changes being considered where this will further enable improved monitoring, better measure the customer and end user experience and provide CSG with clarity of focus in line with the council's objectives.

- 1.30 Performance data is collated and processed in accordance with the appropriate methodology and / or guidance. The performance is then subject to monthly, quarterly and annual review.
- 1.31 Where performance and or actions do not meet the agreed expected outcomes the contract describes a number of actions that can be applied which include discussion and escalation through governance mechanism, service credits applied, step-in or even breach of contract.
- 1.32 Since contract commencement there have been three instances where remedial notices have been applied. This was in May 2014 in relation to the IT service, in August 2014 in relation to the HR service and in May 2015 in relation to Customer Services. On these occasions CSG provided timely responses and remedial action plans against which service performance was monitored. These plans have been scrutinised and found acceptable by the Authority. Delivery against the plans has been and continues to be monitored at commercial, client and board level.

Audits

- 1.33 Officers have primary responsibility for monitoring and managing the contract and reliance is not, and should not be, placed on audits to ensure the contract is performing as it is supposed to. However, internal and external audit provide an important function in allowing scrutiny from officers and Members.
- 1.34 The annual external audit into the statement of accounts, housing benefit claim and National Non-Domestic Rate provide assurance that the financial statements are materially correct and therefore processes in place are sufficiently robust.
- 1.35 The internal audit programme allows for deep dives into different aspects of the organisation on a risk based approach to ensure the organisation is effectively being managed. Recommendations made through this process, provide a useful tool to benchmark progress against.

2. REASONS FOR RECOMMENDATION

- 2.1 To allow scrutiny of the information provided and to allow discussion and feedback from the committee on the position reported.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not applicable.

4. POST DECISION IMPLEMENTATION

- 4.1 If the committee is not satisfied with the current arrangements, their comments will be noted and disseminated as appropriate.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Robust contract and performance monitoring are essential to ensure that

there are adequate and appropriately directed resources to support delivery and achievement of Council priorities and targets as set out in the Corporate Plan.

5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 Robust contract and performance monitoring plays an essential part in enabling the organisation to deliver its objectives efficiently and effectively. This report sets how this is undertaken.

5.3 **Social Value**

5.3.1 Not applicable.

5.4 **Legal and Constitutional References**

2.1.1 The [Council's Constitution, in Part 15 Annex A, Responsibility for Functions](#), states the functions of the Performance and Contract Management Committee include (amongst other responsibilities):

- a) Overall responsibility for quarterly budget monitoring, including monitoring trading position and financial strategy of Council Delivery Units.
- b) Monitoring of Performance against targets by Delivery Units and Support Groups including Customer Support Group; Re; the Barnet Group (Including Barnet Homes and Your Choice Barnet); HB Public Law; NSL (Parking Contractor); Adults and Communities; Family Services; Education and Skills; Streetscene; Public Health; Commissioning Group; and Assurance.
- c) Receive and Scrutinise contract variations and change requests in respect of external delivery units.
- d) To make recommendations to Policy and Resources and Theme Committees on relevant policy and commissioning implications arising from the scrutiny of performance of Delivery Units and External Providers.
- e) Specific responsibility for the following function within the Council:
 - a. Risk Management
 - b. Treasury Management Performance
- f) Note the Annual Report of the Barnet Group Ltd.

5.5 **Risk Management**

5.5.1 The council maintains risk logs for all major contracts, which are informed by the risks reported by CSG. The council's risk log for the contract is published in the council's quarterly performance reports and reported internally and externally as part of the routine performance cycle.

5.5.2 Each partner reports their risks at least monthly to the council for review by the clienting team, commercial team and relevant internal boards.

5.6 **Equalities and Diversity**

5.6.1 Not applicable.

5.7 **Consultation and Engagement**

5.7.1 Not applicable.

5.8 **Insight**

5.8.1 Not applicable.

6. BACKGROUND PAPERS

6.1 [Performance and Contract Management Committee, Clienting and contract management arrangements, 11 February 2015](#)