

Appendix A: Overview of the performance of Customer and Support Group

1. Introduction

The Chairman has asked the Customer and Support Group (CSG) to prepare a briefing update on overall performance since go-live to act as a sister document to the specific report on call handling. This briefing is attached and officers from the Commissioning Group and CSG will be at the meeting to run through the detail and answer any questions. Appendix 2 provides a more detailed presentation covering the background, current performance and how CSG are responding to performance challenges.

2. Background

The CSG contract went live in September 2013. Committee members will be aware that the Customer and Support Group (CSG) was created to:

- **Significantly and quickly reduce the cost of the council's back-office and high volume customer service arrangements.**
- **Modernise the Council's IT infrastructure (network, servers, telephony) and service systems (finance, HR, procurement etc.) so that they are more reliable and so that they support the council in making further improvements in productivity (including, but not limited to accommodation savings and further supply chain savings)**
- **Significantly improve customer service performance and satisfaction**
- **Build and then utilise insight drawn from improved systems and data to further improve customer operations and enable better commissioning decisions.**

CSG are obligated through the contract to make improvements and deliver results across all of these objectives during the first 12 months of operation. Without over simplifying, what is a very complex sequence of changes – the focus in year one is on:

- delivering the lion's share of the savings;
- putting in place solid foundations:
 - Replacing the Council's aging and unreliable infrastructure
 - Decommissioning old systems and replacing them
 - Leveraging these new systems to re-design how back office and customer services are run and organised so they cost the council less and deliver the same or better performance. In most cases, for each service, this has involved recruiting a new leadership team, re-organising and in some cases relocating services
- delivering some early, but tangible improvements in customer services
- achieve savings over and above those specified in the contract through the new procurement team.

It is important to recognise the scale, breadth and depth of change that has taken place since September. It is the largest change project the Council has ever undertaken or delivered. It is also important to note that CSG have delivered their programme in some cases in only half the time envisaged when the contract was negotiated. In good faith they have worked in this way to help reduce the financial impact and risk to service resilience of the delayed contract start – caused by the judicial review impasse.

The attached report sets out an assessment by CSG on how they are progressing against their year one objectives. It is intended to help Performance & Contract Monitoring Committee (P&CM) discern a judgement about their performance in the round. During the course of the year P&CM will receive frequent performance and programme updates from officers relating to all the Council's delivery units (not just CSG). The attached report tries to synthesise some of that more complex analysis and offer a view about what is working well, what is working less well – what has been the underpinning cause of these problems, an assessment of whether these are problems are under-control and a view about the extent of the their resolution.

3. Performance update

The attached update offers a 'warts and all' view from CSG about their performance. From an officer/ client side perspective the following three observations are offered by way of advice to Members:

- **Looking at the long term objectives of the contract:**
 - CSG have delivered in the first 9 months the necessary changes to deliver the contracted savings. The Council is paying £6m less for the provision of in scope services since go-live
 - the infrastructure, system and wider service changes set out above have been delivered, in most cases ahead of schedule and to cost
 - in overall terms service performance is better and on an improving trajectory compared to baseline.

There are some notable exceptions to this positive overall picture. While these exceptions are in some instances significant - and have been both individually and collectively damaging to the reputation of CSG - it would be unreasonable, at this juncture, to conclude that they represent a more significant overall failure or detract from the demonstrable improvements that CSG are delivered.

- **There have been some performance highlights in the first 9 months**
 - The CSG finance team has supported the Council to spend within budget in 2013/14. They produced the draft accounts in a very timely manner (the 2nd Council nationally to publish). The auditors are reporting that they require no adjustments to be made to the accounts.

- Notwithstanding the go-live issues noted below, the Council is answering more calls than it has ever done so before and doing so quicker. Historically we've received just under 70k calls per month and answered 90% of these. CSG are now receiving over 80K per month and 9 months into contract are answering 97%.
 - Benefit claims processing remains significantly below baseline at just 8 days – this is the second best performance in London.
 - A number of legacy issues have been resolved as promised. These include on-going outstanding internal audit recommendations relating to disaster recovery and IT access controls. Correspondence backlogs in HR, particularly in the pensions services have been resolved.
 - Contractual commitments to sponsor community activity have been implemented. For example the @mybarnet design an app' competition for Barnet schools has proved a huge success – with over 700 children and young people participating. The winners, Tudor Manor, will now have their app' – a game that illuminates historical sites in Barnet built by CSG and launched on the Council's website in the autumn.
- **Notwithstanding the successes, there have been two areas where performance has not been up to the standard the council has expected, or indeed in some cases demanded in the contract.**

The attached report from CSG (Appendix 2) sets out the key areas where they believe there have been problems or weaknesses with performance. In most instances these failures have taken place since the go-live of the major systems changes in April. In their briefing note, CSG make a distinction between 'snagging type' difficulties associated with the system and process change, and more substantive – longer term challenges. Officers generally concur with that distinction and it would be fair to say that some of these snagging issues are due to the poor infrastructure, process or data that CSG has had deal with but would offer the following observations to the Committee in respect of the snagging issues:

- It is not unreasonable to expect there to would be some snagging issues associated with such large scale change, particularly bearing in mind the speed of implementation. However **there have been too many problems, and many of them coming at the same time**. Collectively they have damaged the reputation of CSG and confidence in their performance and delivery capability. It will take some time to re-build this trust.
- Each of these snagging issues will have had the potential to cause significant frustration, irritation and in some cases distress to those affected (be they members of staff, former members of staff or members of the public). This is not acceptable, and while officers note the assurances that these issues are now

under-control and resolved, they will be closely monitoring performance to ensure that this is the case and we do not experience any repetition. In particular the Council client side is looking for assurance that sufficient capacity and capability is in place within the CSG HR service to support the Council's complex and challenging change programme and to ensure that the data and process issues highlighted by CSG in their attached report are resolved.

There are two specific areas where CSG believe there are more substantive reasons for poor performance or perception and where difficulties are more profound. These are Members IT and the Schools HR service. Members may wish to consider these in more detail at the Committee meeting.

- **Members IT:** There are two key issues: functionality and performance. With hindsight, for too many Members the decision to consolidate all of their IT and email requirements into an iPad solution was wrong and didn't meet their needs. All other things being equal iPads provide a good solution for reading material on the move and for reviewing recent email correspondence – they do not however provide the same level of functionality to create documents or store them in a way that, say, a laptop can. Reflecting on what went wrong, there are lessons for both the Council and CSG in how this decision came to pass. Ultimately, CSG are responsible for successfully delivering this. CSG accept this, are deeply apologetic and have put in place mitigations to ensure Members have, if they wish, access to an iPad, laptop, blackberry and a mobile phone. Compounding the functionality problems – especially in the crucial two weeks after the elections the support CSG offered to members was inadequate. New Councillors in particular had problems sending or receiving emails and IT were too slow to respond. This was wholly unacceptable. All concerned are very sorry for the frustration caused to Members. Now that support arrangements are being stabilised CSG will work with those Members who are willing and interested to act as a working group and sounding board for future changes.
- **Schools HR service** The Council client side are receiving too many direct and anecdotal reports that school based business managers and head teachers are finding their new systems difficult to use. They report that information is harder to find and that reports generated by the system don't reflect the underlying data. This is causing frustration and additional work for schools. Notwithstanding the fact that CSG are tackling issues and complaints directly with individual schools as they arise, they also now believe that there is a more general need to engage more thoroughly with schools to get to the bottom of what isn't working

for them and address the issue more comprehensively. Officers would recommend that P&C ask for an update on progress at their next meeting.

4. In conclusion

Performance & Contract Monitoring Committee are invited to consider the performance of CSG in the round since contract commencement in September 2013. In particular the successful execution of the very significant changes that enable the delivery of savings and which have also put in place sound foundations to ensure a more resilient service now and in the future. This strong start has undoubtedly been weakened by a sequence of performance issues since go-live in April. These issues have been frustrating, disappointing and are not acceptable. The Committee should consider the distinctions being made by CSG about the cause and persistence of these problems and in light of these judgements consider what further assurances they may want in the future to test progress.