

Appendix 1: Overview of the Performance of Customer and Support Group

1. Introduction

At the last meeting of the Performance and Contract Management Committee, Members asked for a further report on the current performance of the Customer and Support Group (CSG). This report summarises the objectives of the contract, the current performance, key achievements, a summary of the status of each service within the contract and identifying where there are either performance challenges or opportunities for further improvement.

It is intended to help Performance & Contract Management Committee (P&CM) to examine the performance of CSG in the round and offer a view about what is working well, what is working less well and where this is the case an assessment of whether these are problems are under control and the actions required to achieve resolution. Officers from the Commissioning Group and CSG will be at the meeting to run through the detail and answer any questions. This report should also set the context for the report to P&CM on the year 3 contract review for the CSG contract.

2. Background

The Customer and Support Group contract started in September 2013. This was established 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 data and insight drawn from improved systems and data to further improve customer operations and enable better commissioning decisions.

There are significant financial and non-financial benefits to be delivered by this contract, including:

2.1. Financial

The CSG project was expected to deliver a minimum saving of 11% on the cost to the council over the ten years, equivalent to £40m. The objective has been significantly exceeded in the agreement of the CSG contract, the final benefits being as follows:

- A guaranteed core service price reduction of 18.1% during the life of the contract, equivalent to £70m;
- a guaranteed operational net cost reduction by year 10 of 45%; and
- a guaranteed net financial benefit of £125.4m including procurement savings and income collection guarantees.

These objectives are being delivered. To date, the cost of back office functions has reduced by £6m per year, £4.3m procurement savings have been achieved and a further £3.1m additional Council Tax income has been collected. Appendices 3a and 3b give a more detailed report on the delivery of savings from the Council's strategic partnership with Capita. Overall, Barnet has the third lowest cost of back office and corporate services in London (per head).

2.2. Non-financial

- A single point of contact for all customer enquiries;
- a better and more consistent quality of customer service within the council;
- more issues will be resolved on first contact and we will be able to respond more quickly to those we can't answer immediately;
- residents and customers will be able to provide information to the council once, which will then be used to provide a range of services;
- residents and customer will be able to access council services in a number of new ways, making the best use of new technology; and
- new systems and processes will provide stability and support the council in making further improvements in productivity.

Significant progress has been made towards improving customer service benefits. The website has been refreshed and 'My Account' launched with over 12,000 users. Customer satisfaction has increased from 52% to 70% and a higher proportion of calls are answered with more dealt with at the first point of contact. But there are areas for improvement: improving the technology and content on the website, aiming to make Barnet's website the first choice for our customers; resolving a higher proportion of resident's queries at the first point of contact; embedding improvements to Members Enquiries.

In addition, CSG have made progress in delivering significant changes to how back office services are provided. CSG have refreshed the Council's servers and relocated them to a resilient data centre, increasing stability and resolving more ICT incidents. To achieve the required savings, CSG have relocated services to 10 other sites and implemented 18 new systems. The partnership has enabled other productivity gains, such as £5.4m per annum savings from consolidation of office accommodation, supply chain savings (as above) and support to enable services to change. However, there are areas where the Council requires further improvement from CSG services. This includes: ensuring that sufficient capacity and capability is in place within the Estates service to deliver actions from the Community Asset Strategy including renewals of leases and other reviews; ensuring HR improvements are embedded, including full utilisation of self-service, and stronger reporting to management teams; improving capacity and approaches to IS projects; and enhancing experience and satisfaction of internal service users. More detail on the achievements and challenges is included in section 4 of this paper.

In order to achieve these benefits, the Customer and Support Group have been working with the Council to effect significant transformation of the services. This was the largest scale change programme the Council has delivered. The original plan was to deliver changes within a 12 month period after the start of the contract. This was shorted to 6 months, as a result of the Judicial Review of the decision to award the contract, and meant a significantly accelerated implementation in spring and summer 2014.

3. Clienting and contract management arrangements

Under the Council's Constitution and Scheme of Delegation, the Performance and Contract Management Committee receives regular reports on CSG as it has responsibility for monitoring of performance against targets by Delivery Units and Support Groups including the Customer and Support Group.

3.1 Reporting to Performance and Contract Management Committee

The Committee has previously received information on the performance of the Customer and Support Group through the Quarterly Budget and Performance Monitoring report, highlighting overall performance, high-level successes and challenges, customer experience and by exception reporting, further information where there are exceptional areas of underperformance which require improvement plans. The Committee has also received additional reports setting out the overall performance of the CSG services after almost one year of the contract (reported in July 2014); the Council's arrangements for clienting this and other contracts (February 2015); and further action plans to improve Members' IT and Members' Enquiries services. A further paper on actions to be taken to improve the Council's online customer service and website is also appended to this report.

3.2. Internal contract management arrangements

The performance of the CSG contract is monitored and managed by two Partnership Operations Boards (POBs). POB are attended by representatives from both LBB and Capita and chaired by the Council's Commercial & Customer Services Director (or named delegate in the absence of this post). There is a POB for Performance and one for Projects, each formally monitors CSG's performance, overview of delivery against its contractual commitments and obligations. These Boards meet monthly.

The Partnership Operations Boards report to Strategic Partnership Board (SPB). The key function of SPB is to provide the overall direction, look at how services can develop to meet the needs of the Council, and have financial oversight of the

provision of the Services. The SPB meets quarterly and is attended by senior staff from CSG and the Council and is chaired by the Council's Chief Executive.

The Council also has in place a Commercial Team to manage the contract, supported by Service Matter Experts who work within the Council's Commissioning Groups. These Service Matter Experts are commonly referred to as Senior Responsible Officers (SRO). The role of the Service Matter Experts is:

- To retain expertise in CSG Service.
- Oversee the quality aspect of the service.
- To take ownership of Council strategies relevant to CSG (information management, customer access strategy, budget strategy, Council Tax support, asset management, community assets, procurement, workforce).
- To act as the key link between the CSG services and the Council.

The Commercial Team and SROs work together to scrutinise the CSG performance and where appropriate apply challenge. The lead commissioning role for CSG is split between the Resources Director and the Commercial & Customer Services Director. Interim arrangements have been in place pending the arrival of a new Commercial & Customer Services Director.

3.3. Performance management framework for CSG

Customer and Support Group contract performance is underpinned by a strong performance mechanism, ensuring targets are in place for the duration of the contract. These targets covered 'Super KPIs' which commit Customer and Support Group to achieving outcomes which benefits residents, Members and the internal needs of Council services. A wider group of Key Performance Indicators (KPIs) are in place to focus CSG on delivering and improving core services to agreed standards, incentivising improvement and are linked to service credits (deductions) for under performance. Underneath this are a broader set of Performance Indicators (PIs) which give further detail on the performance of services, and can be escalated to become Key Performance Indicators where required. There are: 10 Super KPIs;

31 Key performance indicators (KPIs); and 91 Performance Indicators (PIs) across 7 service areas.

The performance indicators demonstrate the required performance of the Services. KPIs and Super KPIs are contractually bound and any changes are managed via the change protocol set out in the contract. An update on these is provided in Appendix 2 and further information is given in Section 6 of this document.

Performance data is collected and processed in accordance with the appropriate methodology, guidance, policy and good industry practice. The performance is then subject to monthly, quarterly and annual review. If the Council is not satisfied with performance from CSG it can make a written request for resolution of its concerns or rectification.

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. Improvement notices (known as remedy notices) have been served, with reference to the areas of performance weakness referenced in quarterly reports this Committee, with resulting action plans put in place and delivered – or in delivery – to achieve improvement.

- I. A fuller report on the application of service credits was given to Performance and Contract Management Committee in February 2015. All service credits applied are published as part of the detailed quarterly Customer and Support Group performance report. To date service credits of £298,000 have been applied since the contract started, in instances of underperformance against Key Performance Indicators.
- II. In addition, the Council has required improvement plans (via remedy notices) for HR and IS services in May 2014. This was in response to challenges within HR, including accuracy of payroll and stability of operations post roll-out of the new HR systems and service centres, and ensuring effective strategic advice is in place. For IS, this related to telephony weaknesses in 2014 and effective delivery of IS projects. The Council also issued remedy notices for HR and Customer Services in May 2015. For HR, this related to payroll accuracy, strategic advice including work to support the Council to reduce

absence, and underperformance against KPIs. For Customer Services, this related to delayed work on transformation commitments – including the Customer Access Strategy – as well as the bedding in of new PIs and advocacy to work with service areas to improve customer experience.

In response to the Improvement (remedy) notices that the Council required, CSG have provide responses and remedial action plans against which service performance was and is monitored. These plans have been scrutinised and agreed. Delivery against the plans has been and continues to be monitored at commercial, client and board level.

4. Performance update

The Capita and Barnet Council's CSG Partnership has delivered some real tangible benefits to Barnet. While there have been challenges to work through CSG have focused to address these and these have been worked through. The partnership has achieved significant benefit and gives the platform for future success.

CSG and the council agreed ambitious objectives from the start of the contract. These objectives were deliberately broad and challenging and CSG have worked hard towards achieving them. In many respects, the services are greatly different from two years compared with the time prior to the CSG contract.

4.1. Successes

Major partnership successes to date include:

- Customer satisfaction has increased from 52% to 70%.
- Refreshed the website and delivered a resident online account, with over 12,000 residents registered in the first 9 months. Marketing campaign expected to increase take-up.
- Moved 26 processes to being dealt with the first point of contact, improving customer experience.
- We answer over 95% of calls are answered up from 90%.
- The processing of new benefits claims in less than 9 days.

- CSG services now cost £6m a year less to run.
- £4.3m of procurement savings delivered.
- Receiving an unqualified Audit Opinion for the Council's annual accounts, which were produced a week faster than previously.
- Resolving 94.5% of ICT incidents within SLA, at the first point of contact up from 81.4%.
- Relocating services to 10 other sites and implementing 18 new systems.
- Refreshing the Council's servers and relocated them to our resilient data centre, increasing stability.
- Putting in place an Insight function to provide rich customer and other data to inform services changes to be considered by Committees.
- Completed the Council office consolidation, these moves will save £5.4m pa.
- CSG Revenues and Benefits have collected £3.1m extra additional Council Tax to November 2015 compared with the previous year collection.
- Key strategies delivered with the Council, including the Customer Access Strategy (being reviewed at P&R Committee in December) and Community Asset Strategy.

These achievements have put the Council in a strong position to address the challenges ahead.

4.2. Challenges

Notwithstanding the successes, there have been areas where performance has not been up to the standard the council has expected, or indeed in some cases required in the contract:

- Whilst the new web-site has been launched the use of self-serve for residents has still not reached its full potential with some challenges in relation to the content produced and owned by retained Council services, as well as technical and presentational elements of the website.
- The quality of Member's Enquiries service did not meet required standards, with actions now in place and reporting back to P&CM Committee.

- As referenced in previous reports to P&CM. The implementation of a new HR system and associated operational changes, updates of establishment data and new processes and the full utilisation of self-service proved to be problematic – with a clear improvement plan in place and the majority of actions now concluding.
- Management of the Council’s estate has required significant input on both sides, and has been subject to further negotiations with additional focus required to ensure delivery of the actions arising from the Community Asset Strategy including reviews of leases and rents.
- Delivery of parts of the IT programme have been challenging, including the roll out of IT to support Members and the roll out of the new system for Adults – now due in April 2016.

Each of these issues will have had the potential to cause significant frustration to those affected. Plans are in place to remedy these issues and progress reports will be provided as required. Officers are closely monitoring performance to ensure that this is the case and we do not experience any repetition.

5. Performance overview

Performance indicators are reported to this committee quarterly, with exceptions reported to the Committee. A summary of the performance of these KPIs at the end of September 2015 is shown below.

	Performance
Green rated	95% (22)
Green Amber rated	0% (0)
Red Amber rated	0% (0)
Red rated	5% (1)

In addition there are 12 annually measure Super KPIs and KPIs. None of these are red or amber rated.

However, this provides a snapshot at a point in time and there have been areas of underperformance. Service credits are applied to failing KPIs and in the first two quarters of 2015/16 credits have been applied to KPI performance in the following areas:

- Information Systems - IS13 – Critical System Availability
- HR - HR016 - DBS Verification Audits (formerly known as CRB checks)
- HR - HR017a– Payroll Accuracy - error rates
- Customer Services - CSG/C4 - Govmetric Customer Services (Customer Satisfaction).

A detailed breakdown of all KPI performance is given in Appendix 2.

As described in section 3.2, the Council also retains overview of the quality aspect of the services provided. A short summary of the quality aspects of each service is provided below. A fuller explanation of IS service is provided and a comprehensive appendix on the website and online services is also provided.

5.1. Customer Services

Customer Services has achieved significant transformation since the contract start, having moved the main contact centre to Coventry and implemented a new CRM system, a new telephony infrastructure, new automated telephony services including a voice-recognition switchboard, a new website with customer 'My Account' facility, a new quality management regime, new customer intelligence reports, a new appointments-based model at the customer access centres with new queue technology, and a new set of KPIs and PIs to monitor the things that matter most to customers, including a new end-to-end satisfaction survey. A draft Customer Access Strategy for the next four years has also just been published for approval by Policy & Resources Committee, setting out the improvements needed across all customer service provision to enable the council to achieve its 2020 vision.

KPI successes in the last 12 months include maintaining high customer satisfaction – above 85% - with the telephone and face service; significantly improving satisfaction with the webforms provided on the website, and consistently exceeding the target set for completing customer cases on time, with performance at 89% in Quarter 3 2015/16. The service has also introduced a new advocacy service for customers who need additional support when interacting with the council, and has re-designed 25 service processes so that customer requests can be resolved by the first advisor who receives the customer's contact.

There have been performance challenges, particularly relating to improving satisfaction with the council's website and customer services emails, and with responding on time to customer communications. The service's key challenge for the future is to fulfil the commitments in the Customer Access Strategy, and provide an excellent 'digital' experience for customers. A detailed web improvement plan is attached as appendix 4.

5.2. Procurement

The major success of the Procurement function is the achievement of £4.3m of procurement savings with 138 savings projects either completed, in progress or in the savings pipeline. This includes saving £300,000 from the mobile phone contract, over £200,000 from banking and preventative facilities maintenance. Other recent successes include the commencement of design and build tender process the Sports and Physical Activity project. Further enhancements of the Purchase to Pay system have been initiated to allow the elimination of paper based authorisation for new vendors and contracts, which will in turn, reduce timeframes for set up of new suppliers and payments to those suppliers. These e-forms will lead to a reduced administration burden for Council staff.

The Procurement service has met all the KPIs. These include ensuring Contract compliance on both new and existing legacy contracts, ensuring that all Council services are now mandated to use corporate procurement for all procurement activity. There is also overachievement overall for targets related to the London Procurement Pledge, this includes placing work experience placements through

contracts and performance is above target. Challenges focus on the longer-term planning required to achieve the Council's Medium Term Financial Strategy, with work to avoid savings double count with Council service areas.

5.3. Human Resources

As identified above, there have been both successes and challenges within HR> Recent successes include high-quality leadership and management programmes, a new People & Organisational Development strategy and steps to improve how we manage our workforce planning. There has been good progress made on the Unified Reward project and on a number of new updated HR policies.

In 2015/16, KPIs have mainly been stable, particularly around Health and Safety. However, as we had a number of identified service challenges through the previous financial year related to payroll accuracy and operational performance. The payroll KPI target is even more stretching in year 2 of the contract and but CSG is achieving the new target. However, one exceptional circumstance caused a failure in Quarter 2 for which service credits were applied. Following an agreed plan post-Quarter4 2014/15, there is now progress against the target to support reduction in absence, with a comprehensive plan in place and the focus on HR Business Partnering has been significantly strengthened.

Key challenges are in ensuring accurate data and set up of the establishment. There is a continued focus on this whilst this finalisation expected in January 2016. Reporting and management dashboards are essential tools for managers but progress has been slow in providing these detailed reports. Improvements to the self-service functionality have been challenging and are a key area of focus between now and April 2016 and are the remaining elements of the improvement plan. The service has new leadership in place which is ensuring a much improved approach to change and improvements in the service and significant progress against the improvement plan.

5.4. Finance

The finance function have had various successes since the contract commenced these include the launch off Integra, as the Council's new accountancy system in

replacement of SAP. The system provides accountancy / budget management at a reduced running cost, and allows real time budget monitoring as well as automating a number of transactional processes. The function has also completed early production of the Statement of Accounts for both the Council and the Pension Fund, which was produced earlier than in prior years. The early production was matched with good quality accounts and clean ISA260 reports from the external auditors, which were supported with an un-qualified audit opinion. The service has continued to support budget managers and commissioners throughout the organisation in a range of budget management issues, monitoring, savings, growth, procurement and modelling which moving forward needs to be underpinned by a cultural shift both within the service but also in the Council to ensure 'added value' by the service and management of financial resources.

The two areas which require more focus moving forward are the KPI's on budget management – variance to budget and percentage of savings implemented. In the financial year 2014/15 the Council overspent against budget by £1.1m. The savings implemented by the Delivery Units for the financial year came in at 96%, which is slightly under the expected performance requirement. The focus for the service now that system and processes have been embedded is ensuring Council managers are held accountable for their budgets and have the appropriate financial support to allow this. The service needs to change from a traditional 'accountancy' role to one of 'business partnering' which is more focussed on adding value through data analysis, horizon scanning, financial modelling and acting as a critical friend to services.

5.5. Revenues and Benefits

Since commencement the service has seen considerable transformation, with the relocation of service delivery staff to other locations whilst maintaining a seamless service delivery. During this time we have seen the service hold the top quartile position in processing of new benefit claims, and sustained the collection rates of business rates and council tax. Welfare reform impacted the service, with increased complexity of benefit cap, and the spare room subsidy has meant increased outreach and engagement with residents to assist them finding work, more

affordable accommodation and budgeting advice. As a result we have seen a reduction in the number of claimants and the net amount of benefit paid out.

The KPIs have been met, with additional quality assurance tests by the client have shown areas for improvement. Targeting this area to challenge the reported outturn remains a priority, with improvements to automated processes due to be implemented expected to improve this area significantly. In 2015/16 the online claims process has been re-implemented to coincide with the My Account launch. Despite a large number of residents joining My Account, the use of Council Tax and Housing Benefit systems within My Account still requires promotion. The transactional functionality available within My Account is due for expansion in 16/17.

5.6. Estates

Performance against KPIs and PIs has been consistent and good. Of note, commitments to deliver ISO 9001 accreditation and the Community Asset Strategy have both met, together with the implementation of new Property system - the IPAMS database. Other commitments are on track to be delivered with some exceptions that are being focussed on by the service via engagement with the Council's SRO. Overall, the Estates service is delivering and supporting a large number and broad range of capital schemes, including the Education Capital programme, community centres and other developments.

The Estates service has been significantly reorganised and rebalanced in order to strengthen the service. Roles and responsibilities are much clearer, the Estates service is in stronger position to develop recommendations on schemes or changes to recommend to the Council. Budget management of the overall managed budget is improving.

In some cases, in particular projects and ad-hoc requests for feasibility studies have sometimes not met the required standards requiring concerted effort on both sides to ensure delivery. Larger capital schemes have not been without their challenges too, with an emphasis on the need to strengthen stakeholder management. The absorption of the Estates capital projects team into CSG Corporate Programmes is a

positive step and it should improve delivery and reduce the risks in future. In addition, there have been some delays in enacting the Community Asset Strategy including the programme of leases renewals and other reviews. Property Services has been reorganised and highly competent management brought in to improve the service and with focus now being on embedding this within the service. Focus in the short-term is on development of the Council's locality strategy and the review of the Strategic Asset Management Plan.

5.7. Corporate Programmes

The Council and CSG have an agreed model for Corporate Programmes to run programmes and projects on behalf of the organisation. The Council has over 100 programme and projects live. The team is well regarded and has been supporting successful delivery of a wide range of complex projects, recruiting a sustainable team of salaried Project Managers giving value for money and longer-term sustainability. The function has scaled up to lead capital and estates projects and put in place the skilled roles, resources and approaches to ensure delivery of those projects. As set out below, there are some challenges in ensuring all suppliers – e.g. IS projects – are enabling programme delivery and that sufficient capacity is in place to support programmes through 2016/17.

5.8. Information Systems

As requested by Members at the previous P&CM Committee meeting, this part of the report gives a fuller explanation of the performance of the IS service.

Overall investment in a new data centre with greater resilience has materially reduced the risk faced by the council in the event of component failure and also increased the performance of systems. Performance against the Key Performance Indicators – system availability and incident resolution has been consistently above target. The ICT Strategy has been developed, with two broad themes – Smarter Working and Customer Transformation. Both those strategies and plans will be reported to Policy and Resources Committee for approval (Customer Access Strategy in December 2015). This enables the organisation allowing us to focus on delivering improvements to customers and to enable the council's move to Colindale.

5.8.1. Member IT support

Members have raised issues with their own IT provision that needs addressing. The problems experienced with iPads following their roll-out to Members were first discussed with a paper at the Performance and Contract Management Committee in June 2014.

While some of the immediate pressures relating to this roll-out were resolved, there are outstanding areas to work on and re-engagement needed with Members needed to ensure challenges are fully understood. To this end, the IT Service Delivery Manager, on behalf of the IT Director, is leading a process of contacting all Members on the Performance and Contract Management Committee to gain feedback on the Members IT service. Feedback to date shows that a main challenge reported is in the use and speed of Citrix, and the reactivity (rather than pro-activeness) of the service. Positive comments have been received on the service etiquette delivered by the Members IT team, but concerns voiced about the perceived lack of support outside these individuals. Concerns were raised about the limited storage on iPads and further training on these devices has been requested.

Positive comments have been received on the service etiquette delivered by the Members IT team. All 63 Members are in the process of being contacted to fully understand all challenges. From this, an action plan will be put together to resolve or respond to issues, the progress on which will be presented to the Performance and Contract Management Committee on 15 February.

IT projects have proven to be problematic more recently, with a slow approach in creating and agreeing proposals and ensuring that the proposed IT outcome was entirely fit for purpose. IT projects have also sometimes seemed more focused on process than outcome which has caused issues for Members, delivery units and customers. We now have in place new leadership for IT projects and are looking to implement a more joined up approach with CSG Corporate Programmes team. Some systems are also now reaching (or have reached) their end of life and so improvements to the management of applications is required.

The table below explains the elements within the IS service provided by CSG.

Area	Explanation	Status
Infrastructure	Includes the data centre, network, disaster recovery and provision of remote working	Generally stable, although the provision of a disaster recovery fail-over site is behind schedule
Service	Includes the IT service-desk and IT support for Members	Generally consistent performance, although some processes need improving or refining; for example, the starters, movers and leavers process and providing access to systems
Processes	Adherence to ITIL processes; for example, management of incidents and change	ITIL processes and procedures are in place – see separate PCM paper for further information
Applications	Software hosted and managed on behalf of the council e.g. Microsoft Outlook and Word; or line of business systems hosted by IT but managed by the relevant council service, such as ICS (Children’s Social Care System) and Swift / Mosaic (Adults Social Care System), or by other parts of Capita (for example, the website (which is managed by Customer Services)	Some systems are out of date or reaching end of life; better approaches to application portfolio management is therefore required – this would allow IT to work better with system owners to upgrade or replace systems in a timely manner
Projects	The implementation of new systems or services for the council	While processes are place, delivery can be more focussed on adhering to these processes than on the actual outcome. IT projects is therefore an area which requires improvement, and would benefit from a more joined up approach with Corporate Programmes
ICT Strategy	The council’s ICT Strategy	In development to support Smarter Working Colindale moves and Customer Access Strategy

6. Conclusion

This report provides a summary of the performance of CSG services, giving an overview since the start of the contract. It highlights the progress towards delivery of the benefits and savings set for the contract, and the areas where improvement is in place or required to fully meet the needs of residents, Members and Council services.

Elsewhere on this agenda the Performance and Contract Management Committee will receive a report proposing how the fundamental year 3 review of the CSG contract will be carried out.