

	<p>Financial Performance and Contracts Committee</p> <p>15 June 2020</p>
Title	Q4 2019/20 Customer and Support Group (CSG) Performance Report
Report of	Director (Commercial and Customer Services)
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	None
Officer Contact Details	<p>Tim Campbell, Head of Commercial Management tim.campbell@barnet.gov.uk</p> <p>Alaine Clarke, Head of Programmes, Performance and Risk alaine.clarke@barnet.gov.uk</p>

Summary

This report provides an overview of Quarter 4 (Q4) 2019/20 performance for the back-office functions delivered by the Customer and Support Group (Capita).

Officers Recommendations

The Committee is asked to note the Quarter 4 (Q4) 2019/20 performance for the back-office functions delivered by the Customer and Support Group (Capita).

1. PURPOSE OF REPORT

Introduction

1.1 This report provides an overview of Quarter 4 (Q4) 2019/20 performance for the back-office functions delivered by the Customer and Support Group (Capita). Due to the redeployment of staff to support critical services in response to Covid-19, the council is not in a position to report on the performance of other strategic contracts at this time.

Overview

1.2 During Q4, improvements continued across most areas, and services responded well to the immediate impact of Covid19. Notable highlights included:

- All Q4 targets met, except on incident resolution
- Accounts Payable swiftly moved to immediate payment terms in response to Covid19
- Pensions transfer remained on track although there was an increase in service level failures towards the end of the quarter
- Human Resources Audit initial findings show big improvements
- Changes to the Contact Centre enabled staff to swiftly move to home working and for calls and online forms to be managed from home
- A new Wi-Fi guest network 'Govroam' has been implemented and IT services were re-prioritised to support critical services and staff requiring remote access from home
- Procurement provided new templates and training to improve contract management using the contract management toolkit. Activity was latterly switched to support changes to procurement rules to provide critical operational support
- New digital forms were implemented for Council Tax and Housing Benefit.

Accounts Payable

1.3 Software has been implemented to identify and stop duplicate payments from being made and analysis for the last three years is being produced and will subsequently be presented as part of monitoring.

1.4 In response to Covid-19, to assist suppliers with cashflow, all contractors and suppliers have been paid on the day the invoice was approved.

1.5 There are three KPIs for Finance. All three KPIs met Q4 and EOY targets.

Indicator	Polarity	19/20 Target	Q4 19/20	EOY 19/20		EOY 18/19
			Result	Result	DOT	Result
Operational availability of financial system application (Integra) to the hosted network (q)	Bigger is Better	98%	99.3% (G)	99.2% (G)	New for 19/20	New for 19/20
Invoice documents in Accounts Payable processed within agreed timescales (q)	Bigger is Better	90%	93.7% (G)	95.5% (G)	New for 19/20	New for 19/20

Indicator	Polarity	19/20 Target	Q4 19/20	EOY 19/20		EOY 18/19
			Result	Result	DOT	Result
Completion of audit recommendations by Capita in relation to their provision of finance services (q)	Bigger is Better	100%	100% (G)	100% (G)	New for 19/20	New for 19/20

Pensions

- 1.6 The transition of administration services from Capita to West Yorkshire pension fund (WYPF) remains on track for a 31 October 2020 handover date. WYPF received a cut of the membership data in May 2020 from Capita, which they are reviewing to ensure that data is in a useable format. Discussions on the exit plan with Capita are substantially complete although commercial aspects on the contract change notice remain under discussion, including reimbursement for providing support for queries for three months after the transfer date.
- 1.7 Barnet and Capita have agreed to jointly share costs of four additional staff (for circa six months) to tackle the backlog of third-party cases involving both obtaining the missing information and updating members records, as well as ensuring that the completion of daily administration tasks is maintained.
- 1.8 Capita undertook an exercise to contact 255 deferred members who had passed their Normal Pension Age (NPA) and would have been able to claim their pension benefits from their NPA. To date, 207 members have replied to the initial correspondence and 65 of these former employees have had their deferred pension put into payment.
- 1.9 There has been a recent increase in service level failures due to unexpected staff absence. Weekly calls between Capita and the council are held to discuss current activity and actions being taken to maintain service standards. The number of work items outstanding has grown to 3,733; mainly attributed to awaiting third party information. A common factor in these cases is the failure to follow-up on information requests. Backlogs in the processing of leavers, retirements, transfers in and bereavements have been prioritised in the data remediation plan mentioned above.
- 1.10 Following a further update to the Pension Regulator in May 2020, the Regulator has indicated that they do not wish to receive any further updates unless new regulatory breaches occur. The remaining work to address the issues in the update is reflected in the data remediation plan.
- 1.11 The current administration focus is on receiving the year-end returns from all employers, reviewing these for undisclosed leavers and joiners and updating administration records with salary details. Once the year-end returns are processed, this enables both annual benefit statements and pension savings statements to be issued. Barnet staff are reviewing the action plan to ensure that the omissions identified in last year's exercise that led to 1,092 corrected benefits statements being reissued do not reoccur. Of the 930 deferred members who were unable to receive an ABS, 262 have now received their March 2019 statements.
- 1.12 There are now 52 individuals who were not provided with pension saving statements in prior years. Of these, 13 have tax liabilities. These staff are being supported via

tax advice and meeting the costs of independent financial advisors. Capita has agreed to reimburse these costs.

1.13 Staff have been reviewing the documentation supporting the annual pension increase exercise and will look to spot check some of the calculations.

1.14 There are no KPIs for Pensions.

Human Resources

1.15 Schools Payroll and Corporate Payroll have been audited by PwC, and, whilst the final reports have not yet been released, the initial findings show big improvements on previous audits. Significant work has been done by Capita to address the findings from previous audits.

1.16 HR has been supporting a cohort of primary schools in the Borough, working with Unions to resolve a grievance in relation to the calculation of annual leave for term time only workers.

1.17 The latter part of Q4 has been taken up with planning and execution of Covid-19 Business Continuity. All HR and Payroll staff have been working from home and confidence in business continuity arrangements has been high. In Q1, the focus will be on recruitment.

1.18 There are four KPIs for HR. All four KPIs met target in Q4, but did not meet EOY target.

- **Payroll Accuracy – error rates and correct date (RAG rated RED) – 0.12% against EOY target of 0.1%.** These errors were caused by the HR system where staff had been automatically re-enrolled into the Pension scheme by the system without prior communication in Q1. Actions were taken to prevent a reoccurrence and quarterly targets for the indicator were met for the remainder of the year.
- **Offer letters issued (RAG rated AMBER) – 91.1% against EOY target of 100%.** There were higher volumes than anticipated in December 2019 and resource constraints due to annual leave. All outstanding letters were subsequently issued and performance was back on track for the remainder of the year.
- **Pre-Employment vetting (RAG rated RED) – 92.4% against EOY target of 100%.** There were higher volumes than anticipated in December 2019 and resource constraints due to annual leave. All outstanding letters were subsequently issued and performance was back on track for the remainder of the year.
- **DBS verification audits (RAG rated AMBER) – 99.8% against EOY target of 100%.** Resource constraints due to sickness absence in Q3 resulted in three verifications not completed within the SLA. To minimise the impact of staff absence in the future, multi-skilling between the recruitment team and HR admin has been undertaken.

Indicator	Polarity	19/20 Target	Q4 19/20	EOY 19/20		EOY 18/19
			Result	Result	DOT	Result
Payroll Accuracy - error rates and correct date (q)	Smaller is Better	0.1%	0.05% (G)	0.12% (R)	New for 19/20	New for 19/20
Offer letters issued (q)	Bigger is Better	100%	100% (G)	91.1% (A)	New for 19/20	New for 19/20
Pre-Employment vetting (q)	Bigger is Better	99%	100% (G)	92.4% (A)	New for 19/20	New for 19/20
DBS verification audits (q)	Bigger is Better	100%	100% (G)	99.8% (A)	↓ W -0.2%	100%

Customer Services

1.19 In response to Covid-19, Contact Centre staff have been moved to home working and changes made to the set-up of the service to enable calls and online forms to be managed from home. Extra staff have been deployed into the Contact Centre to support the launch of the new garden waste collection service and response to Covid-19.

1.20 There are four KPIs for Customer Services. All KPIs met Q4 and EOY targets.

Indicator	Polarity	19/20 Target	Q4 19/20	EOY 19/20		EOY 18/19
			Result	Result	DOT	Result
Customer satisfaction with phone, face-to-face, email and post case closure (q)	Bigger is Better	89%	92.9% (G)	90.8% (G)	↑ I +8%	90.0%
Web satisfaction (web performance and customer feedback) (q)	Bigger is Better	55%	62.8% (G)	61.3% (G)	New for 19/20	New for 19/20
Customer Services closing cases on time (Customer Advocacy Service) (q)	Bigger is Better	94%	100% (G)	100% (G)	New for 19/20	New for 19/20
Cases/transactions completed via self-service channels (CSG Customer Service only) (q)	Bigger is Better	50%	60.1% (G)	54.2% (G)	↑ I +15.0%	47.1%

Information Systems

1.21 Changes have been made to the way 'spam' email is managed. All emails which are determined as 'high probability' spam (as defined by recognised Microsoft scoring) are now automatically quarantined reducing the number of junk e-mails. This should minimise the risk of opening suspicious e-mails with the associated security risks.

- 1.22 A new Wi-Fi guest network 'Govroam' has been implemented, which will give staff and visitors (from participating organisations) simplified and secure access to wired or wireless services, using their single authenticated profile on multiple devices.
- 1.23 In response to Covid-19, IT services have been prioritised to support critical services and staff requiring remote access from home. A new application was also rapidly implemented to support residents who required extra assistance due to self-isolating from home.
- 1.24 There are two KPIs for Information Systems. One KPI met Q4 and EOY targets. One KPI did not meet Q4 and EOY targets.
- **Incident Resolution (RAG rated AMBER) – 88.3% against EOY target of 95%.** The EOY target was not met due to resources being redeployed to meet priorities for critical services in response to Covid-19 in March 2020.

Indicator	Polarity	19/20 Target	Q4 19/20	EOY 19/20		EOY 18/19
			Result	Result	DOT	Result
Incident resolution (q)	Bigger is Better	95%	92.9% (A)	88.3% (A)	↓ W -5.3%	93.3%
Critical system availability (q)	Bigger is Better	99.5%	100% (G)	99.9% (G)	→ S	99.9%

Procurement

- 1.25 A suite of templates and associated processes have been developed to make contract management activity as simple as possible, including the contract management toolkit.
- 1.26 Workshops have been provided to service areas to explain the importance of utilising the templates and following the correct processes. The team has continued to review and evaluate the contract compliance element of the process; identifying areas that need additional attention to ensure the percentage coverage continues to increase in line with the annual workplan. The team are committed to ensuring knowledge transfer to contract managers and commissioning leads to ensure sub-OJEU value procurements are self-delivered with the best outcomes for the council.
- 1.27 There has been a shift in priorities since the Covid-19 outbreak. The priority for Procurement has been to support service areas with critical procurement requirements. A relaxation of the procurement rules has seen an increase in the number of direct awards, extensions and variations to ensure that services were able to provide critical operational support.
- 1.28 There are four KPIs for Procurement. All four KPIs met Q4 and EOY targets.

Indicator	Polarity	19/20 Target	Q4 19/20	EOY 19/20		EOY 18/19
			Result	Result	DOT	Result
Compliant contracts – contracts over £25k (q)	Bigger is Better	100%	100% (G)	100% ¹ (G)	N/A	New for 19/20
Effective corporate contract management (q)	Bigger is Better	60% ²	100% (G)	99.9% (G)	N/A	New for 19/20
Cumulative apprenticeships (c)	Bigger is Better	70	83 (G)	83 (G)	↑ I +27.6%	65
Cumulative work experience (c)	Bigger is Better	280	393 (G)	393 (G)	↑ I +11.3%	353

Revenues and Benefits

1.29 New digital forms were implemented in March 2019 for Council Tax and Housing Benefit:

- Council Tax - move in/move out forms, single person discount applications, student disregard and student exemption forms, refund applications and a new change in payment method form for Council Tax.
- Housing Benefit - full application form and change of circumstances form

1.30 There has been ongoing work to help customers set up their own online payment arrangements and solutions are being looked at to optimise current customer forms.

1.31 The Council Tax email address phase out was paused following the suspension of incoming calls. Calls have now resumed and testing has resumed on the 'contact us' digital form. Once this form is fully tested and goes live the email address will be removed. The intention is to phase out the email address in a couple of months.

1.32 There are three KPIs for Revenues and Benefits. All KPIs met Q4 and EOY targets.

Indicator	Polarity	19/20 Target	Q4 19/20	EOY 19/20		EOY 18/19
			Result	Result	DOT	Result
Accuracy of benefit assessments (q)	Bigger is Better	95%	96.9% (G)	95.1% (G)	↑ I +3.8%	91.5%
Speed of processing new claims (q)	Smaller is Better	22	20 (G)	20 (G)	→ S	20
Speed of processing changes (q)	Smaller is Better	6	5 (G)	5 (G)	↑ I -16.6%	6

¹ The result was 99.999% rounded up to 100%. One contract was non-compliant as at the time of reporting - Water sports.

² Subject to one quarter baselining period after which an improvement plan for Year 7 will be agreed to bring performance to 100% from April 2020 onwards.

Cross-cutting

1.33 There is one cross-cutting KPI. Compliance with Authority Policy met the Q3 target. This KPI relates to compliance with council's policies on Health and Safety, Equality and Diversity, Information Management, Human Resources and Governance.

Indicator	Polarity	19/20 Target	Q4 19/20	EOY 19/20		EOY 18/19
			Result	Result	DOT	Result
Compliance with Authority Policy (q)	N/A	Pass	Pass (G)	Pass ³ (G)	↑	Fail (Q1)

³ Pass means compliance with Level 2 of the council or equivalent Service Provider Policies identified in Schedule 22 the DRS contract where there has been no non-compliance by the Service Provider which results in an event adversely impacting upon the council. The adverse event could be; an event causing actual or serious risk of death, personal injury or harm towards any individual for whom the Authority has a duty of care; a judgement against the Authority by a statutory or regulatory body; a fine, disciplinary measure, successful claim or other award against the Authority or any individual employed by the Authority

2 REASONS FOR RECOMMENDATIONS

- 2.1 This report provides an overview of Quarter 4 (Q4) 2019/20 performance for the back-office functions delivered by the Customer and Support Group (Capita).

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None.

4 POST DECISION IMPLEMENTATION

- 4.1 None.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Robust budget, performance and risk monitoring are essential to ensure that there are adequate and appropriately directed resources to support delivery and achievement of corporate priorities as set out in the Corporate Plan (Barnet 2024). An EOY position for the corporate priorities has been reported to Policy and Resources Committee.

- 5.1.2 The 2019/20 results for all Corporate Plan and Delivery Plan KPIs are published on the Open Barnet portal at <https://open.barnet.gov.uk/dataset>

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

- 5.2.1 The budget forecasts for CSG are reported as part of the CFO paper to this Committee.

5.3 Social Value

- 5.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. As set out in the council's Contract Procedure Rules, commissioners should use the Procurement Toolkit, which includes Social Value guidance. The Contract Management Toolkit should also be used to help ensure that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through the contract management process.

5.4 Legal and Constitutional References

- 5.4.1 Section 151 of the Local Government Act 1972 states that: "without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 111 of the Local

Government Act 1972 relates to the subsidiary powers of local authorities to take actions which are calculated to facilitate, or are conducive or incidental to, the discharge of any of their functions.

5.4.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority's financial position is set out in sub-section 28(4) of the Act.

5.4.3 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults and Safeguarding Committee; Children, Education and Safeguarding Committee; Community Leadership and Libraries Committee; Environment Committee; and Housing and Growth Committee.
- The council's major strategic contracts including (but not limited to):
 - Analysis of performance
 - Contract variations
 - Undertaking deep dives to review specific issues
 - Monitoring the trading position and financial stability of external providers
 - Making recommendations to the Policy and Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
- At the request of the Policy and Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

5.4.4 The council's Financial Regulations can be found at:

<https://barnet.moderngov.co.uk/documents/s47388/17FinancialRegulations.doc.pdf>

5.5 Risk Management

5.5.1 The council has an established approach to risk management, which is set out in the Risk Management Framework. Risks are reviewed quarterly (as a minimum) and any high (15 to 25) level risks are reported to the relevant Theme Committee and Policy and Resources Committee.

5.6 Equalities and Diversity

5.6.1 The Equality Act 2010 requires organisations exercising public functions to demonstrate that due regard has been paid to equalities in:

- Elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advancement of equality of opportunity between people from different groups.
- Fostering of good relations between people from different groups.

5.6.2 The Equality Act 2010 identifies the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership, pregnancy and maternity; race; religion or belief; sex and sexual orientation; marriage and civil partnership.

5.6.3 In order to assist in meeting the duty the council will:

- Try to understand the diversity of our customers to improve our services.
- Consider the impact of our decisions on different groups to ensure they are fair.
- Mainstream equalities into business and financial planning and integrating equalities into everything we do.
- Learn more about Barnet's diverse communities by engaging with them.

This is also what we expect of our partners.

5.6.4 This is set out in the council's Equalities Policy, which can be found on the website at: <https://www.barnet.gov.uk/your-council/policies-plans-and-performance/equality-and-diversity>

5.7 Corporate Parenting

5.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. There are no implications for Corporate Parenting in relation to this report.

5.8 Consultation and Engagement

5.8.1 Obtaining customer feedback is part of the contract management process to inform service delivery, service development and service improvement.

5.9 Insight

5.9.1 The report identifies performance information in relation to the back-office functions provided by CSG.

6 BACKGROUND PAPERS

6.1 None.