

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview and Scrutiny Committee **DATE:** 7th October 2013

CONTACT OFFICER: Roger Parkin – Strategic Director Customer and Community Services
(For all enquiries) (01753) 875207

WARD(S): All

PORTFOLIO: Rob Anderson – Finance and Strategy
Sohail Munawar – Economic & Social Inclusion
Shafiq Chaudhry – Performance and Accountability

PART I

FOR COMMENT AND CONSIDERATION

PROGRESS ON THE THAMES VALLEY TRANSACTIONAL SERVICE CENTRE (APRIL 2013 – AUGUST 2013)

1 **Purpose of Report**

The purpose of this report is to update Overview and Scrutiny Committee members on the progress of the Thames Valley Transactional Service Centre Partnership with arvato for the period April 2013 to August 2013.

2 **Recommendation(s)/Proposed Action**

The Committee is requested to note the progress made within the reported period.

3 **Community Strategy Priorities** (Compulsory section)

The partnership relationship continues to develop and work towards achieving the ambitions of Slough Borough Council (SBC).

- Creating new income streams that will be shared with the authority by attracting new public sector work into the TVTSC and the borough of Slough.
- Adding value through the partnership, focusing on the young and unemployed for apprenticeships, NVQ qualifications and employment.
- Introducing a recruitment strategy that will specifically target the unemployed in the Borough with a focus on young people and on part-time jobs that appeal to family members with young children.
- Supporting sustainable SME businesses to deliver more jobs for Slough residents by setting up an advisory service providing advice on topics relating to arvato's core business.
- Investigating the viability of relocating some of arvato's wider UK and Ireland business to Slough.
- The creation of a specific schools package to attract business from educational facilities such as schools and universities.
- The introduction of Neighbourhood Benefit officers which will assist both the housing service in terms of housing benefit applications and ensure the

maximisation of benefit take up in the borough by providing a more local accessible and tailored service

4 **Joint Strategic Needs Assessment (JSNA)**

As part of the 10 year partnership agreement, arvato has set up an NVQ training facility which offers training and employment opportunities for the young people of Slough. The first apprentice scheme has just been completed having run for a year from 10th September 2012. arvato employed 5 apprentices who were based in Rent Accounts, Benefits, Cashiers, Transactional HR and Logistics and all successfully completed their NVQ level 2 qualifications. In addition they employed a fixed term trainee based in Transactional HR who is close to completing her NVQ level 3 qualifications.

Out of the five apprentices, one has obtained a permanent position in Revenues and Benefits, one has been placed in a fixed term position in the SBC HR department, one has just started an Association of Accounting Technicians (AAT) course at College, another has taken on a further apprenticeship with an engineering company and the remaining apprentice will be placed in a role in Transactional Finance shortly.

The second scheme started on Monday 9th September 2013 with 5 placements in Transactional HR, Revenues & Benefits, Transactional Finance, Logistics and Customer Service Centre. All have attended induction at SBC and started their placements on Friday 13th September

5 **Other Implications**

(a) Financial (Compulsory section)

The partnership presents a number of opportunities for SBC which will be realised over the 10 year contract period. In recognition of the success of the partnership a Phase 2 has been agreed to commence in October 2013 and will extend the scope of services to include; Customer Services and ICT.

(b) Risk Management (Compulsory section)

Risk	Mitigating action	Opportunities
Legal	Robust contract in place to monitor the service provision.	Change control procedure in place.
Property	See 6.9.	See 6.9.
Human Rights	Not applicable.	
Health and Safety	Dedicated Corporate Health and Safety service in place to support arvato.	
Employment Issues	All staff delivering Transactional Services were successfully TUPE'd over to arvato with existing Terms and Conditions - with no redundancies and this remains the current position	See 6.9.

	a year into the partnership	
Equalities Issues		
Community Support		
Communications	A joint partnership working group established.	Access to a wider communications network will allow the Authority to benefit from more positive exposure, marketing and promotion.
Community Safety		
Financial	Pricing model, KPI framework and Payment Mechanism relating to the partnership is contained within the contract.	Improvements in income generation and value for money for SBC. Phase 2 due to commence October 2013.
Timetable for delivery	The partnership is contracted for a period of 10 years from 1 st April 2012	
Project Capacity	Not applicable - this is not a project.	
Other	Phase 2 implementation of both Customer Services and ICT into the existing partnership arrangement is due in October 2013.	Presents significant investment and service development opportunities for Slough with regards to both service areas which will result in efficiencies for the retained organisation as well as our partner.

(c) Human Rights Act and Other Legal Implications (Compulsory section)

There are no Human Rights Act Implications.

(d) Equalities Impact Assessment (Compulsory section)

There is no identified need for an Equalities Impact Assessment.

(e) Workforce

Approximately 100 staff were TUPE'd successfully as part of the procurement process on existing terms. Staff continue to be fully engaged in service improvements and training opportunities to further improve their skills which ultimately improve services to the residents of Slough. Further details of the work undertaken on training and development are included within this report.

6 Supporting Information

- 6.1 The partnership is now into the second contract year and continues to go from strength to strength and members are asked to note and comment on continued progress to date.

During the reporting period there have been two major pieces of work which have been time consuming for all involved, but are nonetheless key to the future.

- **Relocation:** Much of the focus has been on the forthcoming accommodation relocation and ensuring that the right building is selected for such an important move.
- Phase 2: In light of the success so far, the Council and arvato are in advanced talks to commence a Phase 2 of the partnership. At the time of writing, arvato are due to take-on Customer Services and ICT with effect from 1st October 2013.

6.2 Progress in the reporting period

- Robust governance framework process and KPI reporting and monitoring regime continues to demonstrate an open and transparent approach to the way the partnership is managed.
- Regular customer liaison meetings continue to take place between, ICT, Housing, Strategic HR and Customer services to discuss issues, and develop joint solutions, such as;
 - A. the development of SLA's with Housing & Transactional Finance
 - B. further joint working in Customer Services with the removal of the court surgery's to remove the peaks in demand in Customer Service enabling a better service and the introduction of service direct.
 - C. training provided to both Customer Services and Housing staff to increase their knowledge of Housing Benefit and Council Tax.
- On-going joint working to implement legislation changes i.e. briefing local groups about changes to Housing Benefits.
- The introduction of the Performance Management Quality Assurance System (PMQA) continues to see enhanced performance in the Revenues & Benefits service. This gives us the ability to set and monitor individual performance targets whilst incorporating quality assurance. This further enables the supervisor to provide staff with individual feedback at weekly one to one's and identify individual training requirements. As a result of this we have seen a substantial reduction in the days to process benefit claims when compared with last year.
- Continued success of 'Service Direct' in Landmark Place, which has received positive feedback from both customers and employees. Over the last six months we have offered over 350 appointments, the majority being taken up, with a result that their claims are currently processed on average in 12 days compared to 21 days for all claims
- New service introduced for SBC to provide a method of making Social Fund payments from Landmark Place to customers, to meet the Council's statutory responsibilities under the Welfare Reform Act 2012.
- Interim structure established in the Revenues & Benefits service.
- BACS software introduced to transmit Real Time Information (RTI) to HMRC.
- Preparation work for pension Auto Enrolment.

- Upgrades implemented to the Payroll system, resulting in moving away from manual calculations.
- Significant support for the Charity of the Year Thames Hospice Care.
- Successful conclusion of the first arvato apprenticeship scheme in Slough.
- Lean Review proposal to review and improve SBC debt procedures.
- Improved reporting on levels of Former Tenant Arrears providing greater clarity to SBC on case numbers and debt value.
- Printing solution agreed.

6.3 Partnership Governance Arrangements

The governance framework for the partnership arrangement is now well established and working well. The current governance structure includes:

Informal client meetings: Weekly meetings take place between arvato's Operational and Contract Managers and the SBC Client Management Team to discuss operational, performance and strategic matters. The meetings also provide a useful forum to 'flag up' any future potential issues.

Operational Board reports and meetings: Monthly meetings between the Strategic Director of Customer and Community Services, the arvato Partnership Director, the Councils Section 151 officer and the Contract and Client Managers to review and discuss the performance report for the previous month. The meetings concentrate on KPI achievement and progress, financial reporting, highlights and lowlights in the scoped services and any future service specific requirements that may need to be considered and escalated to the next stage of the governance framework for approval.

Quarterly Strategic Board Meetings: These meetings focus on the strategic objectives of the partnership, review service delivery on an exceptions basis, and consider any contractual issues, new challenges or significant requests as identified by either party. Attendees are the same as the monthly Operational Boards but also include the Commissioner with the portfolio for overseeing the partnership.

Annual Review Meeting: The first annual review meeting took place in July 2013, following the successful completion of year 1, and was attended by all officers who attend the Quarterly Strategic Board meetings. The main purpose of this meeting is to discuss, further develop and agree the longer term strategy for the services that sit within the TVTSC.

6.4 Annual Service Plan 2013 – 2014

Annual Service Plan sets out the year's activities and objectives across the services, detailing how these will be planned, managed and monitored. The Plan has been placed on hold whilst Phase 2 is implemented.

Appendix A sets out progress against the Annual Service Plan 2013 – 2014.

6.5 Key Performance Indicators

KPI performance has shown an overall positive direction of travel in most areas. Highlights include:

- Council tax collection at the end of August 2013 was 47.70%. A direct comparison cannot be made with the 2012 figure as the methodology has changed with the figures now being in-year collection only and not including costs. If we use last year's methodology the reported collection rate would be 48.70% at the end of August as compared to 48.51% for August 2012, 0.19% in front.
- The collection rate has, as expected, been affected by the introduction of Council Tax Support, but in cash terms £24.99m was collected as at the end of August compared to £23.46m in 2012, an additional of £1.53m.
- Following the considerable amount of work undertaken last year to correct the NNDR database, there has now been an improvement in Business Rates collection to 46.80% as at the end of August 2013, an improvement on the 2012 position.
- This year has seen a marked increase in enforcement action to obtain payment for both Council Tax and Business Rates. Council Tax has seen a 42% increase in respect of reminders and final notices and a 35% increase in summons issued for non-payment. For Business Rates the increase is 52% for reminders and final notices with summons for non-payment similar to last year due to the timing of the courts.
- Benefits performance continues to be impacted by the Automated Transfer to Local Authority Systems (ATLAS) of DWP data. This is the automated transfer of DWP data and whilst the transfer of data is automated, the actual updating of the records is undertaken manually and the introduction of the system also witnessed a sustainable increase in the number of notifications received from the DWP, increasing the department's workload whilst ensuring our claimants receive the correct entitlement. New claims and change of circumstances processing continues to improve with the year to date positions at 21.36 and 11.37 respectively, both being well ahead of the same point last year.
- Correction of errors within Local Housing Allowance (LHA) claims continues with cases monitored and reviewed. In relation to maximising subsidy the position this year at 0.34% is a massive improvement on last year 0.63%.
- Following the introduction of Welfare Reform, residents have been supported with 372 Discretionary Housing Payment (DHP) applications processed (£139,710 spent and £189,949 committed) with a further 52 applications to be considered.
- Service Direct has been expanded with discussions held with Housing to support them through use of this service.
- HR and Payroll continue to achieve all KPIs and work on pensions Auto Enrolment.
- The first Real Time Information (RTI) submission was sent on time to HMRC.
- Transactional Finance continues to focus on reducing the outstanding debt, which is a high priority for the Council. The end of August figure is £5.72m of which £2.3 million is overdue, the majority of which (over £2 million) was raised by Wellbeing and includes monies due from the PCT and CCG.
- Rent accounting, P2P and Accounts Receivable & Payable, continue to achieve the majority of KPIs although the cashiering service has been significantly hampered by issues with the Civica Cash Receipting System.
- Logistics have also continued to achieve all relevant KPIs. The service has received a number of approaches from services wanting to back scan files.

The Key Performance Indicators are subject to base lining and as such the performance data has been recorded for information purposes and is not therefore

subject to any formal service credits or payment deductions. The KPIs are currently being reviewed with the aim of streamlining them to concentrate on achieving the Council's key priorities.

Appendix B provides an overarching summary of performance against the severity level 1 targets which have been formally approved at monthly Operational board meetings.

6.6 **Service Improvement Plan**

At the last review a number of projects were removed from the Plan in light of the Council's changing priorities. The remaining projects continue to be reviewed monthly at the Operational Board.

6.7 **Staff**

Engagement with employees continues with emphasis on integrating them into the arvato family.

- Team Action Management (TAM) has allowed staff to make their own views on the strengths, weaknesses, opportunities and threats in their own service areas which has enabled the staff to be fully engaged in the change process.
- Training continues to be made available and delivered following the skill gaps analysis previously undertaken.
- MS Excel training has been rolled-out across the services.
- Personal Development Reviews are being undertaken with all staff with emphasis on performance improvement and individual staff development plans.
- Arvato has supported the SBC services with staff from across the wider arvato public sector services giving a much greater skills pool. Communication channels continue to be developed, with "MyNet" the arvato intranet launched in June, giving employees greater access to corporate information, news, staff benefits etc.
- Staff participated in the Bertelsmann 2013 Employee Survey with the results due later in the year.

6.8 **Charitable Activity**

Staff continue to be actively engaged in supporting the selected Charity of the Year Thames Hospice Care. In August a team of seven arvato employees undertook a charity tandem skydive at the Hinton Skydiving Centre raising approximately £3,000.

6.9 **Accommodation**

The lease for Airways House will end in December 2013 and negotiations are at an advanced stage for arvato to move into new accommodation within the borough. The new building will be fit for purpose and include capacity for future expansion to potentially bring new jobs to the borough.

7 **Comments of Other Committees**

None relevant.

8 **Conclusion**

The Committee are asked to note the progress made by the partnership and acknowledge the considerable amount of work undertaken by both arvato and the Council during this time.

The partnership continues to focus on the development of a successful Thames Valley Transactional Service Centre which has the ability to:

- Maximise income
- Raise and respond to community and customer expectations whilst improving performance
- Improve access to jobs
- Improve use of resources and streamlining processes
- Provide efficiencies and improvements to the Council

9 **Appendices Attached (if any)**

Appendix A – Progress against the Annual Service Plan.

Appendix B – KPI Performance Report.

10 **Background Papers**

None.