

The Slough Borough Council and Arvato partnership

Scrutiny Report

Contract Year 5 half year review
April 16 – September 16

Executive Summary

During the first half of the 2016/17 financial year we have continued to progress as the previous year ended, with positive performance across the service areas with a few challenging issues needing some additional care. Operational performance and some other areas of note are outlined through this report.

Our Revenues and Benefits team have really progressed well since last year having learnt lessons from the challenges we had 18 months ago. The Benefits team have delivered excellent results whilst our collections in Council Tax and Business Rates remain on course to yet again deliver a year on year improvement.

Our Customer Service team are on course to hit our full year targets which will be the third consecutive year of improvement across nearly every KPI measure. Our contact centre team are doing particularly well, although resourcing challenges in our Front of House teams towards the middle of the year will see a little more focus in Q3 & Q4 to stabilise performance and KPI outturns going forward.

Transactional Finance is now fully working on the new agresso platform whilst Transactional Payroll went live at the end of the period covered in this report. The Council led programme has been challenging as expected with such a major transition, although we do expect to see the benefit of that investment during 2017. Logistics met all KPI's during the period.

Executive Summary

A huge effort has gone into improving IT performance with some major changes being made going into the second half of the financial year. The efforts over the six months centred around investment in increasing skilled resource and the continued improvement journey of the Councils core technology platforms. Two key pillars of this were PSN activity and the new IVPVN wide area network. These activities progressed well during the period and are continuing right through until early 2017, laying the foundation for some exciting new developments during 2017 such as an updated telephony solution across the Council due for implementation over the next twelve months.

On a wider note our business has continued to invest in Slough with significant growth seen in our private sector contact centre business. This saw over half a million pounds of investment in our Slough offices to accommodate over 200 jobs that have been brought to the area.

Our ambitions are to continue this growth, becoming a key employer in the town and attracting the best candidates the area has to offer. Not only is this supported by our successful apprenticeship scheme, attracting excellent talent but also by our ongoing engagement with the local community which we do through various channels such as Slough Aspire, Slough Business Community Partnership and the Slough Business Awards, all of which we actively participate in. These sit alongside our continued charity activities.

Outsourced Service Portfolio



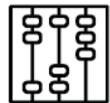
Revenue Collections

- Council Tax Collections
- Business Rates Collections
- Overpayment Recovery
- Debt recovery
- Billing



Housing Benefit Claims

- New and Case Management
- Benefits Payments Services



Transactional Finance

- Accounts Payable/receivable
- Reconciliation & Accounting
- Procure to Pay



ITC Services

- Networks, Servers & Applications
- Service Desks & Desktop support
- Development and Project Management
- PC's, Mobile devices and phones
- Architecture & Design



Logistics

- Postal collection and delivery across all Council sites
- Document Management



Payroll & Transactional HR

- Consultancy & Training, L & D
- Recruitment



Customer Services

- Contact centre - Calls and emails
- Front of House Services including; Revs & Bens, Schools Admissions, Elections Housing Triage

Additional Services



Strategic Projects

- Agresso
- Children's Services Transition
- Mott MacDonald Transition



Cyber Security

Our continued growth in Slough



- Head office activities now fully embedded at Phoenix One with 30+ corporate staff
- Slough Council, including Revs & Bens, IT, Customer Services, Finance, Payroll, Logistics (c200 FTE)
- BMW Customer interaction centre (c200 FTE)
- Zara.com Customer services (110 – 150 FTE)
- Renault Customer Services including Dacia (20 – 30 FTE)
- Increasing Telefonica (O2) Smart Homes customer services account (15 FTE)
- New 15 FTE globally recognised cosmetics account due to be launched in the next few months

Our Apprenticeship Commitment

Contract Year	Target No. of apprentice positions	No. of Apprentice Positions filled	% Successful qualification achievement	No. retained in full time positions and functional areas
Year 1	6	5	100%	3 - Finance, Benefits and Transactional-HR
Year 2	6	6	100%	4 - Logistics, Customer services x3 and Transactional-HR
Year 3	6	7	71%	4 - Customer Services x2, HR Services and Transactional-HR
Year 4	9	11 5*	91%	9 - Benefits, Customer Services x2, HR services x2, facilities, BMW x 2, IT
Year 5	9	12	N/A	
YTD Total	36	46		

* Two Intakes in Sept 2015 (11) & April 2016 (5)

**2 FTE already confirmed in full time positions

- From the stats above as at 1st Oct 2016 we have successfully secured 18 previous apprentices in full time employment in arvato.
- We are working with the Childrens Trust to explore opportunities for placing candidates from more challenging backgrounds into our next apprentice intake. This will replicate our recent success of the 'Get into Tech' programme we ran with The Princes Trust which we are also expecting to repeat in 2017.

Recent Slough Recognition

→ Arvato's public sector partnerships shortlisted for **three Global Sourcing Association Awards**. Work delivered across Arvato's local government partnerships with Slough Borough Council and Sefton Council was shortlisted for three categories at the National Outsourcing Awards:



- **Public Sector Outsourcing Project of the Year – Slough Borough Council and Arvato**
- Automation Project of the Year – Sefton Metropolitan Council and Arvato
- **Outsourcing Works: Award for Delivering Business Value in Outsourcing – Slough Borough Council and Arvato**



- Apprentices from Slough Borough Council and Arvato's successful apprenticeship scheme, were recognised at a special graduation ceremony presented by Roger Parkin and John Wybrant
- Arvato's local government apprenticeship programme was recognised by national award's judging panel and reached the South East **judging stage of the National Apprenticeship Awards**, ahead of hundreds of competing organisations
- Slough Borough Council and Arvato shortlisted for coveted **LGC awards, named as a finalist** in the **Partnership of the Year** category

Other Arvato activities



- We recently released a white paper entitled 'Driving transformation through automation in the Public Sector' providing an overview of how robotic process automation (RPA) can help to drive transformation and much needed efficiencies.



- Arvato Outsourcing Index featured in The Times. Key statistics from the most recent Arvato Outsourcing Index was featured in two pieces in The Times supplement, Raconteur.
- We launched new employee benefit schemes with Virgin Media and Vodaphone. Whilst our employee benefit platform perkz.com underwent a refresh to offer new and improved benefits

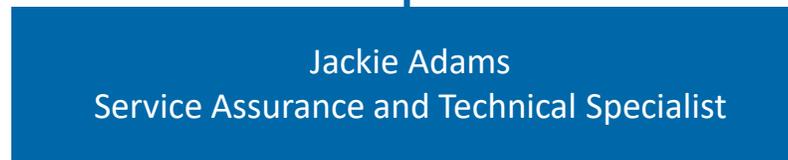
- 48 employees across Arvato UK's partnerships participated in Tough Mudder to **raise over £5,000 for The Prince's Trust**. Tough Mudder is a 10-12 mile obstacle course that demands physical and mental stamina to complete
- During the period we kicked off our own wellbeing week to raise awareness of our employee benefits available and encourage everyone to start thinking about improving their health and wellbeing both in and out of the workplace
- A refreshed talent programme was launched in 2016 titled 'Emerging Leaders,' to develop and recognise talent from within the business. A member of the Slough Customer Services team was successful in making the programme.

The Operational Delivery Team

Arvato



Slough Borough Council



Revenues and Benefits



Business Rates collections are **2.35% higher** for the period in 16/17 at 57.35% than in 14/15

Council tax collection for the period stood at **57.67%, representing an increase of over 1%** than the same period in 14/15.



The Council Tax self serve platform registered over **1200 new users**, setting up 1220 new direct debits and making nearly 500 changes of address



September's YTD figures in benefits were **15.92 days for new claims and 5.82 days for change of circumstances**. For comparison, the figures in 14/15 at this stage were 22.99 for new claims and 12.23 for changes.

Transactional Finance



A **new financial ERP system is now operational** with invoice scanning now live across the service.

7,971 customer transactions were made during the period using the automated payment kiosks collecting **£1,014,896**, 30% of which was cash.

Transactional HR & Payroll



15,803 wage slips were produced in the period in addition to **over 45,000 additional transactions**, including p60's, pay awards, pension contributions, back pay etc

IT Services



We **installed 460 new iGels** from April to September, removing old non complaint citrix units and XP PCs to make us compliant with security guidelines

We **closed 16,130 calls** between April and September which equates to 95% calls closed. In total we had 17,029 calls and 496 major work requests.



The Curve went Live in September. We spent **11 weeks** preparing and installing the infrastructure and all front line devices in time for the Live launch. We installed **79 monitors, 62 desktop PCs and 56 Laptops.**

Logistics



The team have **processed over 162,000 items for delivery**, costing in excess of £40,000 in postage

Customer Services



We saw **9953 customers** via the Local Access Points (LAP) within their local community

Responded to **4023 electronic contacts** & processed **848 Blue Badge** and **703 Bus Pass** applications

Functional focus - Customer Services



SLOUGH	Customer Services - Contact Centre					Customer Services - Front of House				
April - Sept	Contact Volumes '000	Overall answered %	YoY Change %	Answered Within 30 seconds %	YoY Change %	Contact Volumes '000	Overall Seen %	YoY Change %	Seen Within 30 minutes %	YoY Change %
14/15	116,646	77%		46%		31,162	95%		65%	
15/16	116,186	77%	0%	44%	-2%	29,835	97%	2%	79%	14%
16/17	126,713	84%	7%	58%	14%	29,217	95%	-2%	73%	-6%
16/17 vs 14/15			7%		12%			0%		+8%

- On average we are speaking to and seeing over 10% more customers within our 30 seconds and 30 minutes SLA targets
- With our new queue management system in place we are capturing casual callers to better reflect our footfall
- We have seen an increase in the number of calls presenting for Housing Benefit which reflects implementation of the Benefits Cap and increased intervention from Arvato Revs and Bens Team
- FOH – Have had some challenges with resource early part of the reporting year which has been reflected in the KPI performance, resource adjustments have been made and we are on target to meet the annual KPI's
- Contact Centre – KPI performance has exceeded that of the same period last year

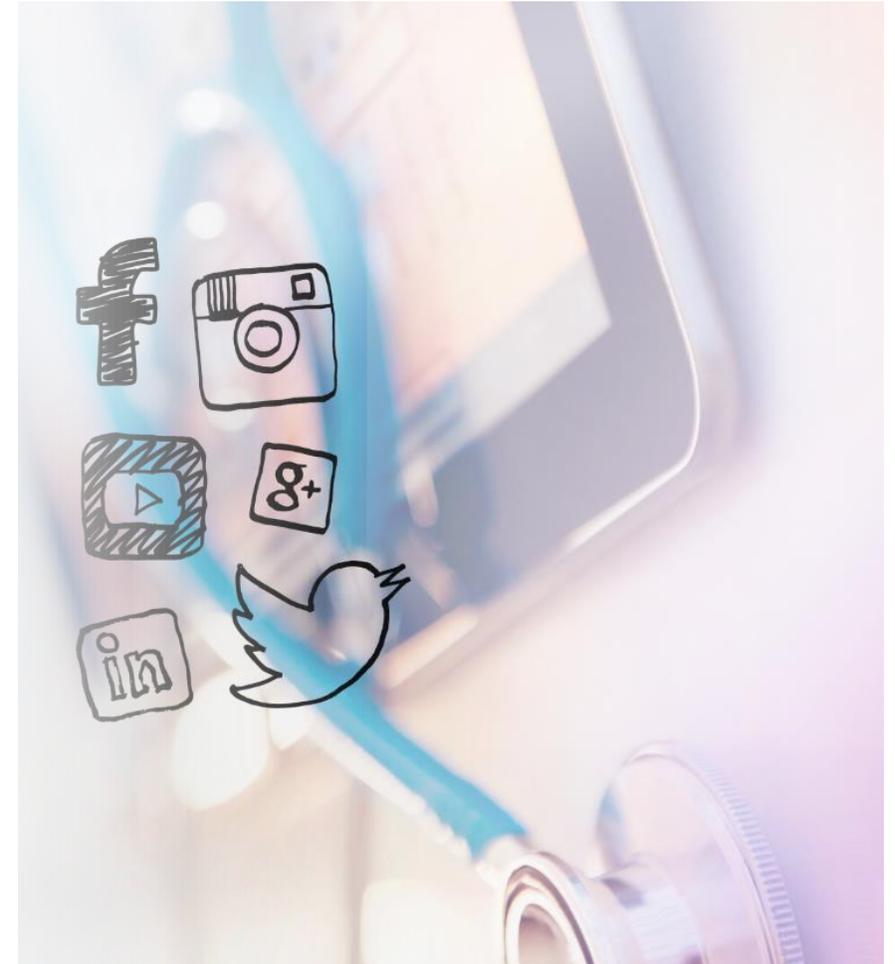
Wider Partnership involvement

- We have been actively supporting the Councils Digital Agenda strategy – Key activities include work on plans for your new CRM platform along with the preparation for the roll out of a brand new smart telephony solution in 2017.
- We continue to support the Children's Trust on their improvement journey. Engagement ranges from extensive recruitment support to significant improvements of their IT footprint rolling out iPad devices across their workforce in recent months.
- Arvato were pleased to be invited to the Councils Asset Management Strategy workshops where we could provide an external viewpoint. This was on the back of the extensive work we completed on the Curve in June/July along with other activities on the sports stadium and schools projects
- Arvato are needed to support the Councils ongoing delivery strategies given their extensive reprovisioning plans, such as the upcoming RMI reprovision and the proposed new Environmental Services Company. This is in addition to the large scale insourcing of Cambridge Education and the Library services, both of which were worked on during the reporting period heavily involving our IT and HR/Payroll services.



The Future

- Continuing to implement major improvements e.g. expanding multi-channel customer services to make it simpler for residents to contact the Council. These include the use of all Social media, Webchat, WhatsApp all being explored to deliver in the next twelve months
- Roll out RPA innovations to outsourced services and within council retained services
- Building on the legacy of creating over 400 jobs, winning new business and recruiting local people
- Continue to create a workforce for the future based on innovative talent that can help the Council tackle the challenges ahead particularly around technology skills and agile working



Thank you

