

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview and Scrutiny Committee

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PART I **FOR COMMENT AND CONSIDERATION**

THAMES VALLEY TRANSACTIONAL SERVICES CENTRE - ANNUAL REPORT APRIL 2016 – MARCH 2017

1 Purpose of Report

The purpose of this report is to provide Overview and Scrutiny Committee members with a strategic overview of contractual performance for the Thames Valley Transactional Services Public Private Sector Partnership. The period of reporting covers the performance outturn for contract year 5 (April 2016 – March 2017)

2 Recommendation(s)/Proposed Action

The Committee are asked to note and comment on Arvato's performance in delivering the Thames Valley Transactional Services contract for the period of April 2016 – March 2017 and advise of any specific reporting requirements for future scrutiny Committee meetings.

3 The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3a. Slough Joint Wellbeing Strategy Priorities

The services in scope of the partnership link to the overall effectiveness and efficient running of the council. For all services in scope, Arvato have sought to streamline processes implement contractually agreed service improvements whilst securing a step change in performance year on year with Contract Year 5 being no exception. The Partnership directly supports the Council's medium term financial strategy through optimising and prioritising the collection of revenues whilst ensuring that benefits continue to reach our most vulnerable members of the community in an efficient and timely manner. The overarching aim of the partnership continues to support all of the Council's priorities

3b. Civic responsibility

The partnership remains committed to delivering against its Civic responsibilities and this contract continues to demonstrate arvato's commitments to Aspire as an active member of their board.

Arvato are members of the Thames Valley Chamber of Commerce and the Slough Business Community Partnership. Their contribution includes annual sponsorship of the Slough award for Innovation to successful local businesses

Arvato continue to be actively involved in various local initiatives to help support the borough and its residents. These have included volunteering workshops, training schemes and multiple charity and fundraising events which have directly impacted 153 young people.

Over the course of Contract Year 5 arvato have broadened their base to actively support young people with their involvement in the 'Get into technology' programme - which has resulted in two placements on a year long ICT apprenticeship.

3c Five Year Plan

As part of the annual contract review, KPI's are regularly reviewed and service priorities are realigned to ensure that outcomes identified in the 5 year plan relating to council tax and business rates income collection are considered in line with the contractually agreed targets. Directorate specific projects relating to service specific requirements are subject to ongoing scoping and discussions with Arvato as business needs arise.

4 Other Implications

(a) Financial

Annual increases to Council Tax and Business Rates collection performance measures compared to previous years will undoubtedly boost the Council's overall collection rates and increase income for the Council to assist in bridging the funding gaps

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	<p>The contract has built in flexibility which enables changes to be appropriately considered using the change control mechanism</p> <p>Furthermore the Contract governance structure includes for regular review of any change controls to ensure that the contract administration remains compliant</p>	Allows for flexibility as the council's corporate and service priorities change.
Property	With the relocation of Arvato's head office to Slough all risks associated with property have now been mitigated and the risk has transferred to Arvato	The re-location has enabled Slough Borough Council to make use of the training and meeting room facilities at Phoenix 1 – Farnham Road. The site is also more

		closely located to the council offices and as such allows for an easier commute from SMP to Phoenix one for meetings / service issues
Human Rights	Not applicable	
Health and Safety	Arvato have access to their own corporate Health and Safety services	The Council has opportunities to draw on Arvato corporate resources to assist the council as required.
Employment Issues	All staff delivering Transactional services were successfully TUPE'd over to Arvato.	There is a requirement within the contract deliverables for Arvato to offer employment opportunities to the people of Slough and actively encourage this through their recruitment processes. This is performance managed as part of the reporting process to Scrutiny - at the time of writing this report the partnership had circa 130 staff on the original T & C's in post.
Equalities Issues	Not applicable - Council policies apply as part of the Staff transfer	
Community Support	Arvato UK headquarters based in Slough	Arvato continue to support community projects, working with Slough mobility, board member of ASPIRE, development of the Arvato apprenticeship academy - strengthening employment opportunities for local residents.
Communications	There is a joint partnership arrangement in place to share information and manage communication	Access to a wider communications network allows the authority to benefit from more positive exposure, marketing and promotion
Community Safety	The employment of Neighbourhood benefit officers provide a more locally accessible and tailored service to local residents	Improved access to services and opportunities to work with our most vulnerable residents to maximise benefits take up.

Financial	Agreed pricing model , KPI framework and Payment mechanism which can be reviewed annually as the councils priorities change	Allows the partnership the flexibility to focus on emerging priorities faced by the council and the services it delivers to manoeuvre the contract delivery to ensure the most appropriate direction of travel as determined by the Council
Timetable for delivery	The contract is in place for a period of 10 years from April 1 st 2012 – March 2022. This means that both Phase 1 & Phase 2 services run concurrently	Timescales allow for services to be embedded and focus on service improvements
Project Capacity	Not applicable - this is not a project	

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act Implications.

(d) Equalities Impact Assessment

Not relevant

(d) Workforce

Approximately 100 staff were TUPE'd successfully as part of the procurement process on existing terms for Phase 1 services. A further 98 staff were successfully TUPE'd as part of Phase 2. Staff continue to be fully engaged in service improvements and training opportunities to further improve their skills, which will ultimately deliver more efficient and effective services to the residents of Slough.

5 Supporting Information

See Appendix 1 for the full contract year performance covering the period of April 2016 – March 2017.

Appendix 2 for performance outturn for the full Contract year 5 - 16/17

6 Comments of Other Committees

Not relevant.

7 Conclusion

From an ‘Added Value’ perspective, the contract has excelled this year in terms of their commitments to support young people.

Contract Year 5 has seen the Apprenticeship scheme intake exceed contract profile for Year 5 from 9 apprentices to an actual intake of 14. Overall this has meant that

against an intake of 36 for years 1-5, arvato have filled 48 apprenticeship placements for the first 5 years.

To demonstrate arvato's strategic commitment to supporting Slough, they have been working in collaboration with Slough Children Services Trust to develop a bespoke LAC Placement Scheme which will commence in Contract year 6. At the time of writing this report the scheme was live with two apprentices in employment - further details will be provided in January 2018 report .

The contract has continued to show a steady growth in Private sector business with the award of an additional third party contract - Benefit Cosmetics and an increase in business for their Telefonica Smart Homes Contract. The impact on Slough has resulted in increased job opportunities for Slough residents which arvato will provide details of at the board presentation.

From a contract performance perspective, contract year 5 has seen a step change in improvement in some service areas such as Customer Services and Business Rates, and under achievement on specific targets within the suite of KPI'S for Revenues and Benefits, ICT, and Logistics. At the time of writing this report, the Contract Annual Review Board was yet to meet to discuss the final outturn. At this meeting the contract year performance service by service will be discussed and signed off with our Commissioners.

8 Appendices Attached

Appendix 1 – Contract Year 5 April 2016 – March 2017

Appendix 2 – Performance figures for the relevant reporting period

9 Background Papers

None.