

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview and Scrutiny Committee

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PART I **FOR COMMENT & CONSIDERATION**

THAMES VALLEY TRANSACTIONAL SERVICES CENTRE – ANNUAL REPORT **APRIL 2017 – MARCH 2018**

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 6 (April 2017 – March 2018).

2. **Recommendation**

a) The Committee are asked to note and comment on Arvato's performance in the period April 2017 – March 2018.

b) Given the timescales of reporting to Committee, officers respectfully request that members note that Arvato have formally notified the Council that they are in the process of exploring commercial options for the future of their Customer Relationship Management (CRM) business which may include partnership or a full or partial sale of the CRM businesses.

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, the Partnership seeks to streamline processes, implement contractually agreed service improvements whilst demonstrating a step change in performance year on year. The Partnership directly supports the Council's medium term financial strategy through prioritising the collection of revenues whilst ensuring that benefits continue to reach our most vulnerable members of the community. The overarching aim of the partnership continues to support all of the Council's priorities

3b. **Five Year Plan Outcomes**

Whilst the Transactional Services contract also underpins SBC's work across all outcomes, its focus on local businesses and developing partnerships is most relevant to the following outcome:

- Slough will attract, retain and grow businesses and investment to provide opportunities for our residents

4. **Other Implications**

(a) Financial

Annual targets for Council Tax and Business Rates collection performance measures seek to boost the Council's overall collection rates and increase income for the Council to assist in bridging the funding gaps.

The collection of debt has continued to exceed annual targets resulting in regular and sustained income to the council.

(b) Risk Management

The contract has a governance system in place which analyses the risks involved on a monthly and quarterly basis.

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act or other legal implications connected to this report.

(d) Equalities Impact Assessment

The compilation of this report has not required an Equalities Impact Assessment.

5. **Supporting Information**

5.1 As is routinely the case, the Overview and Scrutiny Committee is examining the performance of Arvato in undertaking the Transactional Services Contract. This is done twice yearly – once at the turn of the calendar year as a half yearly update, and (as in this case) once to examine the Annual Report. This covering report will outline some of the headlines from contract year 6, and will be supported by a short presentation at the meeting itself. More detailed information regarding KPIs and overall performance has been attached as Appendix A.

5.2 Appendix A contains a comprehensive range of data, which members are asked to scrutinise in depth ahead of the meeting. However, in order to provide a more focused introduction, this report will provide a brief narrative on some of the key themes raised by these levels of performance. This should assist members when examining the bank of material which forms the full analysis of contract year 6.

Council Tax and Business Rate and Council Tax collection

- 5.3 The Business Rates Collection exceeded the 2017/ 2018 target of 97% by achieving a final out turn of 97.63%.

The Council Tax Collection target fell short of the performance target of 97% by 0.2% with an end of year out turn of 96.79%.

Committee are asked to note that the continued collection for 17-18 as at July 18 has seen Business Rates achieve 98.07% and Council Tax 97.47% respectively.

Customer Service

- 5.4 Customer Services produced an out turn of 17 of the 20 KPI's achieved, with 3 falling marginally short of the KPI target for the period of reporting.

Information Technology

- 5.5 This service area resulted in 15 of the 17 KPI's being achieved at the end of the contract year with 2 of the KPI suite not being possible to report on due to reporting functionality.

Apprenticeships

- 5.6 For the contract year of 17/18 arvato have supported 13 apprentices to achieve their NVQ Level 2 in Business Administration and Customer Services, In addition arvato have continued to play an integral part in supporting the bespoke LAC Apprenticeship programme in a tri party collaboration between Slough, Slough Childrens Trust and arvato.

Challenges for Contract year 6

- 5.7 Contract year 6 has been subject to a number of challenges, both from a service delivery perspective, which have included additional support requirements for the re-provision and implementation of a new RMI Housing Contract , DSO insourcing, insourcing of the accounting technicians from arvato, service re-alignment discussions following the implementation of a new HR and Finance platform to more complex commercial issues relating to specific contractual matters which at the point of submitting this report remain subject to ongoing detailed negotiations.

Strategic Review / structures

- 5.8 The Arvato parent company, Bertelsmann announced in January that it was evaluating various options for the further development of the Customer Relationship Management (CRM) division. The options being reviewed include partnerships as well as a complete or partial sale of the CRM business of which the UK business is part of. Arvato have been working on developing these options and are currently in the process of presenting these to the market. It is anticipated that this process will continue until the end of the year and Arvato will continue to keep the Council informed of progress.

- 5.9 The operational and account management structure within Arvato has changed. The new structure combines the delivery, relationship and contractual management within one directorate. John Wybrant has taken over as the Chief Operating Office. A Public Sector Director post has been created, as has specific role for the management of the Slough BC partnership. This replaces the previous and separate, Key Account Manager and Operational Manager roles. It

provides a single, clear and direct line of accountability to the Arvato Board and provides additional dedicated resource for services that Arvato deliver to the Council.

6. **Comments of Other Committees**

This specific report has not been taken by any other committee of SBC.

7. **Conclusion**

The Committee is asked to highlight any areas of performance they wish to discuss with Arvato at the meeting. These are included in Appendix A; this report should be used to provide an introductory overview.

8. **Appendices Attached**

'A'	Performance figures for contract year 6
'B'	Copy of Slides for meeting

9. **Background Papers**

None