

# **FOR PUBLICATION**

## **PPP PERFORMANCE FOR THE PERIOD OCTOBER 2014 TO SEPTEMBER 2015**

MEETING: OVERVIEW AND PERFORMANCE SCRUTINY  
FORUM

DATE: 10 NOVEMBER 2015

REPORT BY: CLIENT OFFICER

WARD: ALL

COMMUNITY FORUM: ALL

KEY DECISION  
REFERENCE (IF  
APPLICABLE): NON KEY 41

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BACKGROUND PAPERS FOR PUBLIC REPORTS:

TITLE: LOCATION:

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### **1.0 PURPOSE OF REPORT**

1.1 To update scrutiny on the performance of the PPP contract with arvato and Kier between October 2014 and September 2015.

### **2.0 RECOMMENDATIONS**

2.1 To consider the performance and activities undertaken during the period October 2014 to September 2015, and provide any comment.

2.2 To consider future reporting requirements to scrutiny.

### **3.0 BACKGROUND**

3.1 The PPP contract began in October 2010 and is intended to last for ten years. We are, therefore, halfway through this ten-year period.

3.2 Scrutiny has received annual performance update reports since the start of the PPP contract.

3.3 In line with the contractual requirements, a strong governance structure is in place, including:

- Monthly operational board which deals with the delivery and operation of the partnership.
- Weekly partnership meetings to discuss day-to-day issues.
- Fortnightly meetings with HR and ICT, and other service area meetings held as and when required.

Please note that the quarterly strategic boards were paused during the second half of the reporting period whilst their purpose is reconsidered.

### **4.0 SERVICE IMPROVEMENTS AND UPDATES**

4.1 The following service improvements were achieved during the period. The following information is not an exhaustive list, but covers the main areas of work and highlights.

#### **Revenues and benefits**

- The number of council tenants paying their rent by direct debit continued to increase in small increments with 27.36% of council tenants now using this method to pay, compared with 24.28% at the start of the reporting period.
- Council tax collection at the end of September 2015 was 57.5%. In cash terms, £24,783,815 of council tax was collected as at the end of September 2015, compared with £23,854,966 at the same point in 2014, an increase of £928,849.

- Welfare reform funding is agreed until the end of December 2015. A paper has been prepared for FPG to consider future funding.
- Benefits processing performance for the year to September was 13 days, compared to the annual target of 16 days.

## **HR**

- A new HR manager joined arvato in March 2015 and started the process of reviewing the council's key policies.
- HR led the Investors in People process in June 2015, and the council was awarded bronze level.
- The workforce strategy has been reviewed and updated, with a draft submitted to scrutiny chairs in August 2015.
- Papers on holiday pay and the living wage were prepared and submitted to the council's senior leadership team and these are currently being considered.
- HR is working with the council to develop more accessible HR content and toolkits for the new intranet, as well as considering ways of delivering corporate training in a more efficient and cost-effective way.
- HR is playing a developing and increasingly important role in the consideration of health and safety policies and procedures across the council.
- The member development working group was re-established to support the 18 newly elected members and all existing members. A programme of training is being developed.

## **Payroll**

- In December 2014, payroll made the non-consolidated payments under the pay award. Further work took place in January with the implementation of the pay award and the non-consolidated payments for zero hours' staff.

- The council transferred its bank accounts from The Co-operative Bank to Lloyds. The first submissions for payroll and accounts payable to Lloyds were successfully completed in July 2015.

## **ICT**

- A flexible working technology solution was presented to the council in December 2014. It was rolled out during 2015, with some 100 flexible working laptops now being used across all service areas. Members of staff are now able to connect to the network, quickly and securely, from remote locations.
- PSN compliance was obtained in July 2015. The results of the council's IT health check in December 2014 showed that significant work was required to achieve compliance. Work has continued throughout 2015 to ensure that the council's ICT estate is ready for the next PSN submission in May 2016, including the decommissioning or upgrading of 40 x 2003 servers and their applications.
- The new virtual infrastructure was expanded, and legacy or unsupported software is being decommissioned where possible. COINS, the new system for housing repairs, went live in July 2015. This includes 65 mobile workers using tablets to increase their efficiency.
- New audio-visual equipment for presentations was installed in the committee rooms.
- Since the responsibility for GIS moved to arvato, the service has seen great improvements. The Authorities 'Address Improvement Schedule' moved from bronze to silver in 2014, and from silver to gold in March 2015.

## **Customer services**

- In customer services, arvato achieved the Customer Service Excellence Accreditation in October 2014 and the team is working towards accreditation in 2015.

## Kier

- Town centre retail occupancy levels regularly remain above the national average and buck the national trend. Occupancy was 96.39% in September.
- Business occupancy rates also continue to buck the national trend. At the end of the reporting period, occupancy levels remained significantly above the 87% target at 93.81%.

## 5.0 **PERFORMANCE EXCEPTIONS**

5.1 In summary, just one of the collectable KPI target measures fell below target or was not subject to a relief event during the reporting period, which was due to a staff member's accident. A relief event has been requested to cover this, and is likely to be approved. The following relief events were agreed during the reporting period:

- CS03–CS11 (excluding CS09) call centre measures (% of calls answered and % of calls answered in 20 seconds) continued to be subject to a relief event as a result of the increase in the number and complexity of calls as a result of welfare reform.
- ICT01 (service desk calls answered within 20 seconds) was subject to a relief event between June 2015 and September 2015. The relief event enabled ICT service desk staff to be freed up to implement the desktop refresh in order to achieve PSN compliance. Despite the relief event, the service desk only dipped below the KPI during July.

5.2 Full month-by-month results for all PPP contract measures have been provided.

## 6.0 RISK MANAGEMENT

Description of the risk	Impact	Likelihood	Mitigating action
1. The partnership is not monitored in a robust fashion	High	Low	<p>Appropriate resource is allocated to manage the performance and relationship</p> <p>Keep existing governance structure with a recommendation to strengthen the client role</p>
2. KPIs are not met	High	Low/ Medium	<p>Regular communication and governance</p> <p>Accelerate the service improvement plans</p> <p>Ensure the council strictly enforces the financial penalties</p>
3. Arvato and Kier do not focus on council work as a priority	High	Low/ Medium	<p>Any drop in performance will be penalised financially</p> <p>Discussions to be held relating to the impact of growth/external work</p>
4. Resource within arvato and Kier is not responsive enough to cope with complex and competing council projects	High	Medium	<p>Project planning and a corporate overview of resource demands is critical to ensure all partners are able to resource project work appropriately</p>

## **7.0 LOOKING AHEAD: NEXT SIX MONTHS**

- 7.1 The Town Hall restack project is underway as part of the Great Place, Great Service programme. Kier has been contracted to lead the project with the support of the council's business transformation team. The arvato ICT team will be heavily involved, supporting decision-making and implementation related to the specification of network infrastructure, office moves and telephony.
- 7.2 In early January 2016, the new Queen's Park Sports Centre opens. Teams from Kier and arvato have already been involved in the project considering network infrastructure and connectivity, facilities maintenance and security. It is expected that this involvement will increase as the launch date approaches.
- 7.3 The council accepted a proposal from arvato to develop a replacement corporate website. The initial development work is almost complete and the website shell is due to be handed over to Chesterfield for content migration and further web development to begin.
- 7.4 Work will continue throughout the next six months to ensure that the council achieves PSN compliance in 2016. The main focus of work will be to decommission the council's 2003 servers. The next IT health check will be commissioned in January 2016 and the results of this will drive the other PSN compliance work.
- 7.5 Discussions will soon start with HR about implementation of a package of reforms on holiday pay and the living wage. This is expected to be a significant piece of work in addition to business as usual.
- 7.6 The council has started to engage with arvato's customer service lead about the development of the council's customer service strategy.
- 7.7 Work is being planned with arvato to improve the processes relating to council housing rent collection, which will improve collection rates.

## **8.0 SUMMARY**

- 8.1 The PPP continues to deliver the services as established in the contract. A good working relationship exists between the council, arvato and Kier, which will be critical as the council rolls out its transformation programme and continues to operate in an increasingly fluid and financially restricted context.
- 8.2 Arvato and Kier continue to increase the amount of work they deliver for other local authorities and potentially putting this work into Chesterfield Borough Council to support the business plan and generate jobs within the borough. The council welcomes this but must ensure that this is not to the detriment of the services provided to the council and its customers.

## **9.0 RECOMMENDATION**

- 9.1 To consider the performance and activities undertaken during the period October 2014 to September 2015, and provide any comment.
- 9.2 To consider future reporting requirements to scrutiny.

For further information, please contact Justine Kouppari (Tel: 345726).