



**Open Report on behalf of Andrew Crookham,
Deputy Chief Executive & Executive Director - Resources**

Report to:	Overview and Scrutiny Management Board
Date:	25 April 2024
Subject:	Performance of the Corporate Support Services Contract

Summary:

This report provides a closing statement of Serco's performance against contractual Key Performance Indicators specified in the Corporate Support Services Contract during this review period October 2023 to March 2024. This is the last report for the CSS Contract which ended on 31 March 2024 after nine years.

Actions Required:

The Board is invited to:

1. Review the performance of the Corporate Support Services Contract.
2. Provide feedback and challenge as required.

1. Abbreviations

CSS	Corporate Support Services	UAT	User Acceptance Testing
KPI	Key Performance Indicator	FEX	Finance (Exchequer)
TSL	Target Service Level	ACF	Adult Care Finance
MSL	Minimum Service Level	CSC	Customer Services Centre
IMT	Information Management and Technology	RAG	Red/ Amber/ Green
PM	People Management	BAU	Business as Usual
		CCN	Change Control Notice

2. Background

The CSS Contract comprised four service delivery areas: Customer Services Centre (CSC), Information Management & Technology (IMT), Finance (FEX and ACF) and People Management (PM). This report sets out Serco's performance for the final six months (103 to 108) of the contract since the service commencement date 1 April 2015.

3. Performance

Table 1 below provides the summary Red/ Amber/ Green (RAG) status of the Key Performance Indicator (KPI) results for the final six months of the contract. Red status indicates that Serco's performance against the KPI has failed to meet the Minimum Service Level (MSL) set out in the CSS Contract. Amber indicates where there has been a failure to meet the Target Service Level (TSL) but MSL has been achieved. Green indicates that Serco's performance as measured against the KPI has either met or exceeded the TSL. The Council may grant Mitigation where a dependency outside Serco's control prevents the targets from being fully met. Granting mitigation relieves Serco from the application of Service Credits, see 9. below. Agreed mitigation is shown as blue status.

Table 1: Overall KPI Summary Performance

(All Services) Contract Performance	Number of KPIs					
	Oct 23	Nov 23	Dec 23	Jan 24	Feb 23	Mar 23
Target Service Level achieved	36	31	31	31	31	31
Minimum Service Level achieved	0	0	0	0	0	0
Below Minimum Service Level	0	0	0	0	0	0
Mitigation agreed	2	2	2	2	2	2
TOTAL	38	33*	33	33	33	33

**Suspension of five PM KPIs from November 23, see 6a below.*

4. Exceptions

This is an exception report and so provides commentary only where TSL (Green status) has not been achieved.

There were no instances where KPIs failed to meet the MSL (Red status) or the TSL (Amber status) during this review period. No mitigation was required for the Service Delivery areas of Adult Care Finance, Exchequer Services, or IMT.

The background and rationale for the Council granting mitigation during this review period is set out below:

5. Service Delivery Area: Customer Services Centre (CSC)

a) CSC KPI 04: '% of total Calls that are Abandoned Calls' TSL 7%

This indicator measured the percentage of all the calls received by the Customer Services Centre which had been abandoned by the caller, ie terminated before they were answered. The purpose of the measure was to determine how effectively the service responded to incoming calls. There are times when callers hang up quickly for their own reasons, so an allowance is made for this. The TSL for this KPI was 7%. This was a challenging target compared to other local Authorities where the average had previously been identified as c9.4%.

Since the launch of Anywhere365, the CSC has had to manually manage and respond to emails instead of emails being routed by Anywhere365, which decreased the CSC's ability to operate efficiently and in turn reduced capacity to handle calls. An issue with calls stuck in 'wrap up' has also impacted resourcing.

The issues consumed significant additional Serco resource, and as the deployment of Anywhere365 is a Council-led, mitigation was granted for CSC KPI 04 until the end of the contract.

b) CSC KPI 05: '*% of Contacts referred to in CSC PI 01, 02 & 03 responded to within timescale per month.*' Composite TSL 95%

This indicator measured a composite of performance set out in a sub-set of further indicators, including responding to text and email messages within one business day. The TSL for text messages was 100%, and for email 90% rising to 100% within three business days.

For this reporting period, mitigation continued to be granted for CSC KPI 05 because the same issues that affected KPI 04 above also impacted the ability of the CSC to meet these indicators.

6. KPI Changes

There were 33 active Key Performance Indicators at the end of the CSS Contract. KPIs were subject to a continuous process of review. The outcome of a review may have effected no change, a re-draft of a KPI or its machinery, replacement with a completely new KPI, or decommissioning. The purpose of these changes was to respond to external factors and to changing Council priorities so that measures continued to be relevant to the overall management of the contract.

In the six years since 1 April 2018, there were 14 deletions of existing Contract KPIs: ACF 03, 04, 07 and 10; CSC 01, 09 and 12; IMT 05, 06, 09, 10 and 14, PM 07 and 08, and 12 new or replacement KPIs were created: ACF 11 and 12; CSC 11, 12, 13 and 14; IMT 14, 15, 16, 17, 18 and 19.

During this review period there was one change as a result of CCN129, set out below:

a) Suspension of PM KPIs 02, 05, 06, 11, 12.

As a result of PM being insourced from 1 April, the Council agreed to suspend all but the most critical KPIs for this service, so that as much resource as possible could be freed up to concentrate all effort into preparing transition of services back to the Council. This enabled a very smooth and successful insourcing.

The following KPIs remained active until the last day of the contract:

- PM_KPI_01: % of Payroll Recipients paid on the Payment Date per month.
- PM_KPI_03: % of Payment Deductions paid within Third Party Payment Date per month.

7. Green Trend Analysis

This section was first included in this report on 19 December 2019, with the aim of noting any significant changing trends in those KPIs which have met the TSL but may be showing signs of significant performance change - deterioration or improvement. The analysis used only the 'green' performance results and built a long-term picture from April 2018 to date. The purpose of this analysis had been to anticipate potential trends in 'normal' delivery, with a view to identifying any developing areas of concern.

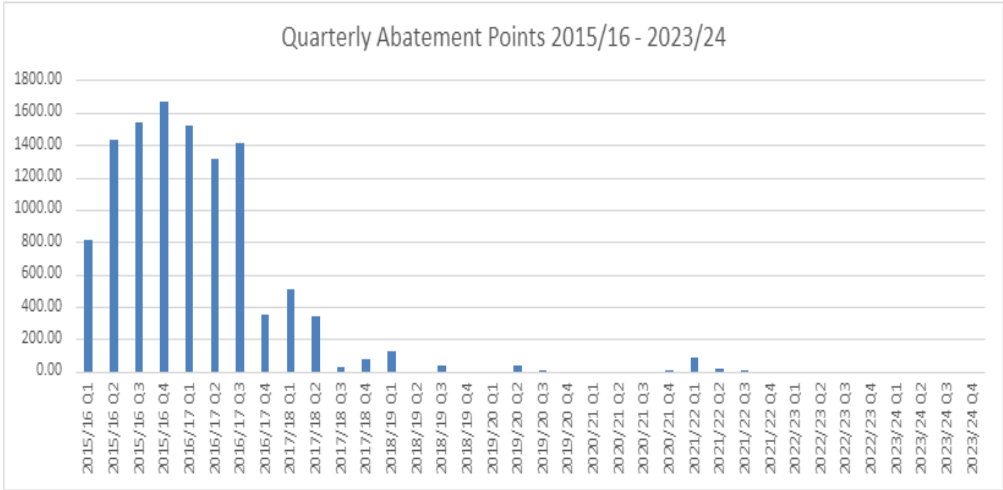
For the period ending February 2024, 88% of the green KPIs were stable or improving. The result ending October 2023 was 83%. The adjusted underlying trend was 'no change'. None of the KPIs had been on a trajectory to fall below TSL before Contract end.

8. Abatement Points

Table 2 gives a visual representation of the total number of abatement points that the Serco CSS Contract attracted in each quarter since contract start. Each KPI attracted between 4 and 55 points. Each KPI included a multiplier which was applied to any consecutive months where targets were not achieved. For two consecutive months the multiplier was 1.50 and for three or more months, it was 2.00. The number of abatement points were used to calculate Service Credits – a monetary deduction from the monthly fees paid to Serco for the Services. The maximum Service Credits payable by each service delivery area were capped at 10% of that area’s total financial payment for that month.

No Service Credits were payable during the final review period.

Table 2: Quarterly total abatement points from contract start:



9. Conclusion

KPI Performance Summary October 2023 to March 2024:

The final review period saw an intensive focus on exit activity, each key service area being supported by a dedicated exit team overseen by an exit board. Serco were very helpful and cooperative throughout the exit process, and the contract has concluded effectively. PM and Finance have been insourced. IMT services currently continue under a Termination Services Agreement. The CSC has been let as a new contract following a successful bid by Serco.

Serco provided the following concluding statement to March 2024:

‘Serco is proud to have worked in partnership with Lincolnshire County Council under the CSSI contract for the past 9 years. Despite some significant challenges in the early years of the contract the relationship developed positively and enabled services to be delivered in an efficient and effective manner. The transfer of Transactional Services back to the Council has run extremely smoothly and we have no doubt those services are in excellent shape enabling them to be delivered by the Council with no impact on customers. We look forward to continuing to provide the Council’s IT service for the next two years and the Customer Contact Centre for the next 5 years under the new contract which commenced 1st April 2024’.

10. Consultation

a) Risks and Impact Analysis

Not Applicable

11. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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