

Open Report on behalf of James Drury, Executive Director - Commercial

Report to:	Overview and Scrutiny Management Board
Date:	17 March 2021
Subject:	Performance of the Corporate Support Services Contract

Summary:

This report provides an update of Serco's performance against contractual Key Performance Indicators specified in the Corporate Support Services Contract between October 2020 and February 2021. The last report to the Overview and Scrutiny Management Board was on 29 October 2020.

Actions Required:

The Board is asked to:

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

1. Abbreviations

CSS	Corporate Support Services	F	Finance (Exchequer)
KPI	Key Performance Indicator	ACF	Adult Care Finance
TSL	Target Service Level	CSC	Customer Services Centre
MSL	Minimum Service Level	RAG	Red/ Amber/ Green
IMT	Information Management and Technology		

2. Background

This report provides an update on Serco's performance against the contract KPIs between October 2020 and February 2021 (months 67 to 71 since the service commencement date 1 April 2015). The performance report introduces a new section as requested by the Board identifying any KPI changes over the past 12 months (see section 5).

3. Performance

Table 1 below provides the summary Red/ Amber/ Green (RAG) status of the Key Performance Indicator (KPI) results from September 2020 to February 2021.

Red status indicates that Serco's performance against the KPI has failed to meet the Minimum Service Level (MSL). Amber indicates a failure to meet the Target Service Level (TSL) but has achieved MSL. Green indicates that Serco's performance as measured against the KPI has either met or exceeded the TSL as set out under the Corporate Support Services Contract.

Agreed mitigation is shown as Blue status. The Board is asked to note that following general suspension of service credits in the early stages of the crisis last year, which ended on 30 June (30 November for the CSC), some specific instances of Covid-related mitigation have continued during this reporting period. These are outlined in Table 3.2 below. This has allowed Serco to continue to deploy its resources in the most effective way to support the Council in its response to Covid-19.

Table 1: Overall KPI Summary Performance

(All Services) Contract Performance	Number of KPIs					
	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21
TSL achieved	33	33	32	33	34	35
MSL achieved	0	0	0	0	1	0
Below MSL	0	0	0	0	0	0
Mitigation	7	7	8	7	5	5
TOTAL	40	40	40	40	40	40

4. Exceptions

No KPIs failed to meet MSL (Red status) during the current reporting period.

Table 2 sets out the KPIs which failed to meet the TSL (Amber status) during the review period together with commentary.

Table 2: KPIs which failed to meet TSL, Oct 20 – Feb 21:

KPI Ref No	Short Description	TSL	Actual	Comment, impact, resolution
PM_KPI_01 (Jan)	% of Payroll Recipients paid on the Payment Date per month	99.90%	99.89%	Last fail was May 2016 (99.76 Amber) – this was an uncharacteristic and isolated miss, no specific rectification requirement identified. The effect of the failure was one person not paid on time.

Tables 3.1 and 3.2 show the background and rationale for the Council granting mitigation where a dependency outside Serco's control (e.g. implementation of Mosaic) prevents agreed targets from being fully met. Granting mitigation relieves Serco from the application of Service Credits (deductions). Table 3.2 specifically identifies mitigation directly associated with Covid-19.

Table 3.1: Details of KPI Mitigation, Oct 20 – Feb 21:

KPI Ref No (period in mitigation)	Short Description	Reason for granting Mitigation	Impact	Path to Green
ACF_KPI_03 (Oct-Nov, Jan-Feb) ACF_KPI_04 (Oct-Feb)	% of new, and change of circumstance, financial assessments for non-res and res care completed within 15 Business Days of referral from the Council.	In mitigation automatically as a result of how the contract works since December 2016 as a result of Mosaic implementation which is yet to extend to financial payments as committed to by the Council in 2015. This means Serco still has to use two systems - Mosaic and Abacus, which hinders their ability to meet the 15-day target which was probably over optimistic. LCC and Serco have however been working closely to optimise the service by streamlining the supporting evidence required.	The end-user experience has improved because there is now no backlog of cases as a result of the optimisation work.	KPI 03 and 04 have been re-drafted and the intention is to match Serco's obligations to the requirement on the Council to carry out assessments within 28 days. These are currently undergoing review by LCC and Serco to ensure effectiveness, with a view to go-live from 1 March.

KPI Ref No (period in mitigation)	Short Description	Reason for granting Mitigation	Impact	Path to Green
ACF_KPI_10 (Oct-Feb)	% of the total Adult Care Service Users in any month in receipt of a chargeable service who have an up to date and accurate financial assessment in place which is being used to collect their Adult Care Service User Contribution.	This measure requires a single point of reporting, which will be delivered by the Council's Mosaic financial implementation. Until then it is not possible to report on this KPI accurately.	The lack of reporting capability is not impacting service provision. (The abatement points for this KPI are being temporarily redistributed to the other ACF KPIs)	Mosaic finance project continues to implement a phased introduction of services which are paid through Mosaic. 2020 saw the following services successfully being paid through Mosaic: Community Supported Living, Foster Carer Payments and Direct Payments for Children's, Carers and Adults. Plans are now in place to phase in residential nursing and home care payments, with an expected go-live of 1 December 2021. Both are dependent on other finance related projects coming to fruition in the meantime; such as the upgrade to the Abacus finance system, the home care contract retender and the move to "net to gross" payments for res nursing. Mosaic implementation is being driven by the LCC Mosaic Finance Board. <i>There is now a case for this KPI to be removed. It is no longer a key indicator - backlogs were a significant issue at the start of the contract and so this measure was established. Following optimisation work, the Assessments team are now in a steady state - up to date with incoming cases, and the annual reviews of all cases are complete by September each year.</i>
CSC_KPI_12 (Nov-Feb)	% of callers the CSC attempt to contact to discuss Access Channel Preferences.	This is a new KPI. Systems not ready yet – still requires: 1. Upgrade to Verint EMPro. 2. Avaya upgrade to v8, then 3. Enterprise Feedback Management system.	n/a. (The abatement points for this KPI are being temporarily redistributed to the other ACF KPIs)	Systems readiness. Expected date of readiness is 1 January 2022. The Council is responsible for the Avaya upgrade which needs to be completed before the KPI can be measured.

Table 3.2: Details of KPI Mitigation specifically as a result of Covid-19, Oct 20 – Feb 21:

KPI Ref No (period in mitigation)	Short Description	Reason for granting Mitigation	Impact	Path to Green
CSC_KPI_04 (Oct-Dec)	% of total Calls that are Abandoned Calls	<p>Covid notably increased the handling time per call, which continues to be a pressure.</p> <p>At the same time the Council was asking the CSC to support a Covid response by asking Serco to carry out new activities such as Click & Tip, Libraries Click & Collect, and communicating with the Clinically Extremely Vulnerable community.</p>	Overall abandoned rates have returned to normal.	<p>Since the last report this measure has moved from Red to Green (Feb 5.25%, Jan 5.01%). The average abandoned rate for October to December was 8.95% (Amber). June to September was 11.15% (Red). The TSL is 7% and the MSL is 10%.</p> <p>The previously high abandon rate in the Children's and Adults teams have steadily come under control into January.</p>
IMT_KPI_09 (Oct-Dec)	% Achievement of Service Request Fulfilment within Service Request Fulfilment Time	Following rapid roll-out of systems to allow for mass remote working, Serco experienced a very substantial spike in service requests from individual users.	Issue resolution has returned to normal.	Since the last report this measure has moved from Red to Green (Feb 96.33%, Jan 96.65%). The average achievement rate for October to December was 90.33% (Amber). March to September was 82.78% (Red). The TSL is 95% and the MSL is 85%.
IMT_KPI_14 (Oct-Feb)	% Windows end user devices patched within 21 days of release of critical operating system updates	Patching depends on end users connecting to the system regularly. Following roll-out of remote working together with unpredictable office use, it has been difficult to catch up with all devices on time.	The main impact has been delays as opposed to failure to patch. Security levels remain high.	Since the last report this measure has moved from Red to Amber . The average achievement rate for October to February improved to 91.79% (Amber). March to September was 89.02% (Red). The TSL is 95% and the MSL is 90%.

5. KPI Changes

There are currently 40 Key Performance Indicators in total for the Serco support services contract, and at any one time some may be in a process of review. The outcome of a review may effect no change, a re-draft of the KPI or its machinery, or a closure and replacement with a completely new KPI. The purpose of these changes is to respond to external factors and to changing Council priorities so that measures continue to be relevant to the overall management of the contract.

Table 4 summarises the changes which have been made to KPIs in the past 12 months.

Table 4: Details of KPI changes, Mar 20 – Feb 21:

KPI	KPI Description	Previous			Revised			Change Date	Description of Change	Reason for Change	Current Status
		pts	TSL	MSL	pts	TSL	MSL				
CSC_KPI_01	% of all Contacts received through Digital Access Channels per month	50	34.55	31.55				31/10/2020	This KPI was decommissioned on 31/10/20 and will be replaced with a new KPI (12).	The development of digital channels by Serco as envisaged at the start of the contract	
CSC_KPI_12	% of callers the CSC attempt to contact to discuss Access Channel Preferences.				50**	30*	20*	01/11/2020	A revised KPI replacing KPI 01. *TSL/ MSL tba	has been superseded by the Council taking responsibility for the deployment of digital solutions.	This KPI will go live on 1 November and the associated abatement points** have been redistributed to the remaining CSC measures in the meantime.

6. Green Trend Analysis

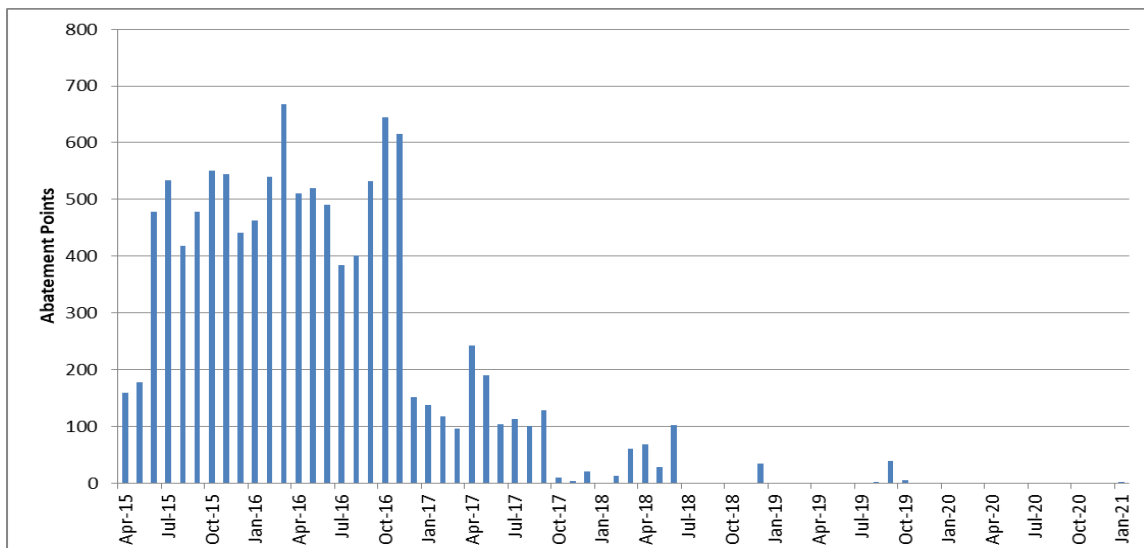
This section aims to note any significant changing trends in those KPIs which have met the TSL, but may be showing signs of significant performance change - deterioration or improvement. This Green KPI trend data has been tracked from April 2018 to February 2021.

81% of the Green KPIs are currently stable or improving; none are giving cause for concern, and none are likely to fall below TSL before the contract ends in 2024. This is a slight reduction compared to September 2020 when the result was 87%, however still an overall long-term improvement compared to the position in November 2019, when 68% of the Green KPIs were stable or improving.

7. Abatement Points

Table 5 shows the total number of abatement points the Serco CSS Contract has attracted in each month since contract start. A total of 902 points is now distributed amongst the KPIs, with each KPI generally attracting between 10-50 points. For each KPI a multiplier is applied to any consecutive months where targets are not achieved. For two consecutive months the multiplier is 1.50 and for three or more months, it is 2.00. Abatement Points are used to calculate Service Credits (deductions) from the monthly contract payment. The maximum service credits payable by each service area is capped at 10% of the financial volume for that month. As indicated, for some of this reporting period service credits have been suspended.

Table 5: Total monthly abatement points from contract start to Feb 2021:



8. Conclusion

KPI Performance Summary - October 2020 to February 2021:

The general picture has continued to be one of good performance overall during this review period and the majority of KPIs are being delivered at and above TSL. The number of KPIs in mitigation specifically as a result of Covid-19 fell to just one (IMT KPI 14 - end user device patching) in January and February.

The CSC has continued to be under significant pressure, showing some sharp increases in abandoned call rates towards the end of 2020. However, the situation has been much improved in January and February, and Serco deployed additional resource in response to the continuing high call handling times in the Care and Wellbeing Hub and also no longer required Council support.

The dedicated Covid-19 line established at the start of the crisis continues to operate, and after a quiet summer last year, has seen significant activity in November and January, and also in February for outbound calls.

Serco Highlights for the review period - October 2020 to February 2021:

Kevin Hales, Serco Operations Director, will provide an additional verbal update at the meeting.

9. Consultation

a) Risks and Impact Analysis

Not Applicable

10. 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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