



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

Report to:	Overview and Scrutiny Management Board
Date:	26 August 2021
Subject:	Performance of the Corporate Support Services Contract

Summary:

This report provides an update on Serco's performance against contractual Key Performance Indicators specified in the Corporate Support Services Contract between March and July 2021. The last report to the Overview and Scrutiny Management Board (OSMB) was on 17 March 2021.

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 Service 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 March and July 2021 (months 72 to 76 since the service commencement date 1 April 2015). Included for the first time is the Corporate Support Services Review (CSSR) high-level status report (Table 6 below).

3. Performance

Table 1 below provides the summary red/ amber/ green (RAG) status of the Key Performance Indicator (KPI) results since the last report, covering the period from March to July 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 CSC), some specific instances of Covid-related mitigation have continued during this reporting period. These are outlined in table 4.2 below. This has allowed Serco to continue to deploy their resources in the most effective way to support the Council in its continuing response to Covid-19.

Table 1: Overall KPI Summary Performance

(All Services) Contract Performance	Number of KPIs					
	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21
TSL achieved	35	33	34	34	32	36
MSL achieved	0	0	1	1	1	0
Below MSL	0	0	0	1	2	0
Mitigation	5	7	5	4	5	4
TOTAL	40	40	40	40	40	40

4. Exceptions

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

Table 2: KPIs which failed to meet MSL, Mar – Jul 21:

KPI Ref No	Short Description	MSL	Actual	Comment, impact, resolution
CSC_KPI_04 (May)	% of total Calls that are Abandoned Calls	10.00%	12.32%	A significant proportion of the cause was beyond Serco's control (see section 9 below). Resource was managed to minimise impact on vulnerable service areas. Returned to green in July.

Table 3 sets out the KPIs which failed to meet the TSL (amber status) during the review period together with commentary.

Table 3: KPIs which failed to meet TSL, Mar – Jul 21:

KPI Ref No	Short Description	TSL	Actual	Comment, impact, resolution
CSC_KPI_04 (Apr)	% of total Calls that are Abandoned Calls	7.00%	7.02%	A very minor miss of the target caused by pressures beyond Serco's control (see section 9 below). Returned to green in July.
CSC_KPI_05 (May)	% of Contacts referred to in CSC_PI_01, _02 & _03 responded to within timescale per month.*	95.00%	92.81%	A significant proportion of the cause was beyond Serco's control (see section 9 below). Resource was managed to minimise impact on vulnerable service areas. Returned to green in July.

**these PIs are concerned with the speed at which email messages are responded to.*

Tables 4.1 and 4.2 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 4.2 specifically identifies mitigation directly associated with Covid-19.

Table 4.1: Details of KPI Mitigation, Mar – Jul 21:

KPI Ref No (period in mitigation)	Short Description	Reason for granting Mitigation	Impact	Path to Green
ACF_KPI_03 (Mar-Apr, Jul) ACF_KPI_04 (Mar-Jul)	% 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 have to use two systems - Mosaic and Abacus, which hinders their ability to meet a very optimistic 15-day target. LCC and Serco have worked to optimise the service by streamlining the supporting evidence required.	The end-user experience has improved as a result of the optimisation/ streamlining work.	The intention is to replace these KPIs with two new KPIs 11 and 12 respectively, and these have already been agreed between the Council and Serco. Go-live is currently anticipated to be 1 April 2022 due to diversion of resource at the Council's direction to resolve issues raised by a recent Abacus upgrade.
CSC_KPI_04 (Jun)	% of total Calls that are Abandoned Calls	A significant proportion of the cause was beyond Serco's control (see section 9 below) and mitigation was granted on this basis.	Abandoned rates increased in all areas, but no crisis incidents arose.	LCC and Serco have worked together to accommodate the new Registrar system and continuation of Impower changes in Adult Care BAU delivery designed to promote independence.
CSC_KPI_05 (Jun)	% of Contacts referred to in CSC_PI_01, _02 & _03 responded to within timescale per month.	As CSC_KPI_04	As CSC_KPI_04	As CSC_KPI_04
CSC_KPI_10 (Jun)	% of LRSP Calls that are Abandoned Calls	As CSC_KPI_04	As CSC_KPI_04	As CSC_KPI_04

KPI Ref No (period in mitigation)	Short Description	Reason for granting Mitigation	Impact	Path to Green
CSC_KPI_12 (Mar-Jul)	% 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, followed by; 3. Enterprise Feedback Management system.	n/a. (The abatement points for this KPI are being temporarily redistributed to the other CSC KPIs)	Systems readiness. Expected date of readiness is 1 January 2022. The Council is responsible for the Avaya upgrade and in this regard is reliant on Vodafone which needs to be completed before the KPI can be measured.

Table 4.2: Details of KPI Mitigation specifically as a result of Covid-19, Mar – Jul 21:

KPI Ref No (period in mitigation)	Short Description	Reason for granting Mitigation	Impact	Path to Green
IMT_KPI_14 (Mar-Jul)	% 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, the level of take-up is currently beyond Serco's control.	The main impact has been delays as opposed to failure to patch. Security levels remain high.	Since the last report this measure has remained amber . The average achievement rate for March to July was 91.25% compared to October-February which was 91.79%. The TSL is 95% and the MSL is 90%. The imminent roll-out of Office 365 will restore Serco's control of patching and allow this measure to come out of mitigation.

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 5 summarises the changes which have been made to KPIs since the last report.

Table 5: Details of KPI changes, Mar – Jul 21:

KPI	KPI Description	Previous			Revised			Change Date	Description of Change	Reason for Change	Current Status
		pts	TSL	MSL	pts	TSL	MSL				
ACF_KPI_10	% of the total Adult Care Service Users who have an up to date and accurate financial assessment in place.	20	95.00	90.00	n/a	n/a	n/a	30/06/2021	Decommissioned on 30/06/21.	This KPI was established to ensure accuracy and control backlogs. It has not been measurable since contract start and is now no longer considered a key indicator in the absence of any notable consequences of inability to measure.	Discontinued. The abatement points for this KPI have been redistributed to the other ACF KPIs ref. CCN103.
CSC_KPI_09	% of carers assessments (reviews and new), as completed by the CSC, completed accurately and within 20 Business Days	30	98.00	95.00				31/05/2021	This KPI was decommissioned on 31/05/21 and replaced with new KPI 11.	KPI 09 was no longer acting as a meaningful measure as the target regularly scored 100%. It has been replaced by a set of measures comprising three new PIs (11-13) combined. The revised targets are based on a trial run and will be reviewed following a period of operation.	Operational. The results for June and July have been green.
CSC_KPI_11	Portion of Light Touch Reviews, Annual Reviews, and Carer's Assessments started within agreed timescales				30	70.00	50.00	01/06/2021	A revised KPI, replacing KPI 09. Ref. CCN102.		

KPI	KPI Description	Previous			Revised			Change Date	Description of Change	Reason for Change	Current Status
		pts	TSL	MSL	pts	TSL	MSL				
IMT_KPI_09	% Achievement of Service Request Fulfilment within Service Request Fulfilment Time	40	95.00	85.00				30/06/2021	This KPI has been replaced with two new KPIs 18 and 19.		
IMT_KPI_18	% of P3 & P4 incidents notified to the Service Desk achieving the Incident resolution target as detailed in the Specified Services Description or the Service Catalogue.				20	each 85.00 to 93.00	each 75.00 to 83.00	both 01/07/2021	Revised KPIs replacing KPI 09. Ref. CCN100.	P3 and P4 incidents were previously not included in the overall IMT KPI measures. At busy times this could lead to service request fulfilment (for which there was a KPI) being prioritised over P3 and P4 incident resolution (where there was not). This change aims to rebalance this.	Operational. Results for July are green.
IMT_KPI_19	% of Service Requests notified to the Service Desk achieving Service Request Fulfilment within the time detailed in the Specified Services Description or the Service Catalogue.				20	*four month glide plus ratchet	*four month glide plus ratchet				

6. Corporate Support Services Review Project

Table 6: Position Update:

Corporate Support Services Project Overview

Workstream	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22 to end Mar-24	Current Status
IMT		Investigation		Options Appraisal & Future Model Design		Engagement, Scrutiny & Decision Making												On plan
CSC			Investigation		Options Appraisal & Future Model Design		Engagement, Scrutiny & Decision Making							Transition				On plan
HR Admin			Investigation		Options Appraisal & Future Model Design		Engagement, Scrutiny & Decision Making							Transition				On plan
HR Payroll			Investigation		Options Appraisal & Future Model Design		Engagement, Scrutiny & Decision Making							Transition				On plan
Exchequer			Investigation		Options Appraisal & Future Model Design		Engagement, Scrutiny & Decision Making							Transition				On plan
AC Finance			Investigation		Options Appraisal & Future Model Design		Engagement, Scrutiny & Decision Making							Transition				On plan

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High Level Summary - Position as at 31/07/21

IMT	Having agreed the principles of a multi source IMT model with lead officers and members, we are currently undertaking more detailed market engagement to explore this with suppliers and further develop a preferred model. This will be completed by the end of September and will be used to inform the options appraisal stage for this workstream.
CSC	Whilst we are not yet due to start the investigation work for non IMT services, we have begun to gather information about the Customer Service Centre (CSC) and HR and finance services within the current Serco contract in order to consider our key future requirements and begin to explore how these may be met. This work will gather pace in September, as planned, to ensure the scope is clearly defined, the detailed 'as is' mapping can be undertaken and the 'to be' requirements can be clearly articulated during the autumn of 2021.
HR Admin	
HR Payroll	
Exchequer	
AC Finance	

7. Green Trend Analysis

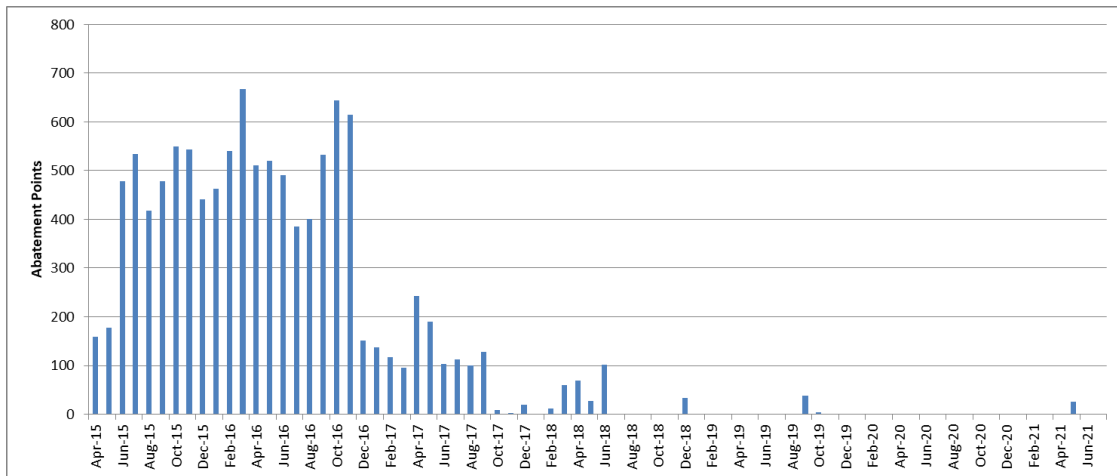
This section aims to note any significant changing trends in those KPIs which have met the TSL, but may be showing signs of significant performance change - deterioration or improvement. This green KPI trend data has been tracked from April 2018 to July 2021. It is important to note that the purpose of this analysis is to detect long-term changes in 'normal' delivery, ie when the results are green. Instances where a particular KPI scores red or amber are treated as exceptions and not counted in this analysis. The results are therefore not an indicator of overall performance, but an examination of underlying background trends.

For the period ending July 2021, 79% of the green KPIs are currently stable or improving. This is a slight reduction compared to March 2021 when the result was 81%, however still an overall long-term improvement compared to the first analysis in November 2019, when 68% of the green KPIs were stable or improving.

8. Abatement Points

Table 7 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 currently distributed amongst the KPIs. The maximum service credits payable by each service area is capped at 10% of the financial volume for that month. As previously indicated, for some of this reporting period service credits were suspended because of Covid-19.

Table 7: Total monthly abatement points from contract start to July 2021:



9. Conclusion

KPI Performance Summary March to July 2021:

This period showed a strong 'green' performance, with the notable exception of the pressures placed on the Customer Service Centre. Serco has responded to demands made on them by LCC, each time doing what they can to mitigate situations that could adversely affect services.

During the pandemic, CSC scheduling has been and continues to be more difficult because the 'normal' patterns of demand have been disrupted, and are less readily predicted.

The pandemic has increased overall call handling time, which has continued to create further pressure.

On 17 June the Avaya Contact Centre suffered an outage and was not fully restored until 22 June. Serco deployed mobile phones. However without the underpinning Avaya system a full service cannot be provided. As a result:

- system restoration saw a large increase in 'catch-up' and call back contacts in the period after the outage which had a significant effect on the abandoned call rates.
- customer emails were not answerable during the outage which led to a backlog taking up resource when the system was restored.

The backlogs drew on resource to recover, and thereby in turn created further resourcing issues re current workload extending the recovery period.

During this reporting period, the Council has also implemented a new system – NEO e-ceremony in the Registrar's service, and has carried out additional activity at the request of Adult Social Care to support individual service users to maximise their independence. Both of these have required additional capacity which Serco has had to respond to whilst maintaining business as usual (BAU) services.

These issues and pressures were substantially the cause of CSC KPI failures outlined in tables 2 and 3 above.

All failed KPIs have returned to green in July.

Serco Highlights for the review period March to July 2021:

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

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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