



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

Report to:	Overview and Scrutiny Management Board
Date:	27 January 2022
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 August and December 2021. The last report to this Board was on 26 August 2021.

Actions Required:
The Board is invited 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 for months 77 to 81 since the service commencement date 1 April 2015. It includes the Corporate Support Services Review (CSSR) high-level status report (Table 5 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.

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 Covid-19 in 2020, there are now no remaining instances of Covid-related mitigation.

Table 1: Overall KPI Summary Performance

(All Services) Contract Performance	Number of KPIs					
	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21
Target Service Level achieved	36	37	35	37	35	33
Minimum Service Level achieved	0	0	2	0	0	1
Below Minimum Service Level	0	0	0	0	0	0
Mitigation agreed	4	3	3	3	5	5
TOTAL	40	40	40	40	40	39

* the total number of KPIs fell to 39 in December following decommission of IMT_KPI_14, see Table 4 below.

4. Exceptions

There were no instances where KPIs failed to meet the MSL (red status) during the review period.

Table 2 below sets out the KPIs which failed to meet the TSL but met MSL (amber status) during the review period together with commentary.

Table 2: KPIs which failed to meet TSL, Aug – Dec 21:

KPI Ref No	Short Description	TSL	Actual	Comment, impact, resolution
CSC_KPI_04 (Sep)	% of total Calls that are Abandoned Calls	7.00%	7.46%	Target missed by 0.46%, returned to green from October onwards.
CSC_KPI_11 (Sep)	Portion of Light Touch Reviews, Annual Reviews, and Carer's Assessments started within agreed timescales	70.00%	61.40%	Isolated incident, returned to green from October onwards. This is a new KPI which came into service on 1 June 2021.
PM_KPI_06 (Dec)	Number of People Mgt. Records assessed in Spot Checks to contain errors, omissions or inaccuracies.	1	2	Isolated incident, this KPI has not failed since October 2019. Expected to return to green in January.

Table 3 below shows the background and rationale for the Council granting mitigation where a dependency outside Serco's control (eg implementation of Mosaic) prevents agreed targets from being fully met. Granting mitigation relieves Serco from the application of Service Credits (deductions).

Table 3: Details of KPI Mitigation, Aug – Dec 21:

KPI Ref No (Mit. period)	Short Description	Reason for granting Mitigation	Impact	Path to Green
ACF_KPI_03 (Aug, Nov-Dec) ACF_KPI_04 (Aug-Dec)	% 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 must still 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 <i>improved</i> as a result of the optimisation/ streamlining work.	Two replacement KPIs have 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_12 (Aug-Dec)	% of callers the CSC attempt to contact to discuss Access Channel Preferences.	This is a new KPI. Systems not ready yet – Verint now implemented, but still requires: <ul style="list-style-type: none"> - Avaya upgrade to v8, followed by; - Enterprise Feedback Management system. 	n/a. (The abatement points for this KPI have been temporarily redistributed to the other CSC KPIs)	Systems readiness. Expected date of readiness had been 1 January 2022, but Avaya upgrade delayed. Further options relating to this KPI are now being discussed between Serco and the Council.
IMT_KPI_12 (Dec)	% of users who score the IT Service as "Good" or above for IT Incident handling	This measure has been temporarily suspended in order to focus resource on MDM.	Performance measure not available – does not affect front line services.	Suspension is mutually agreed in support of project delivery and will be re-instated as soon as possible.
IMT_KPI_14 (Sep-Nov)	% Windows end user devices patched within 21 days of release of critical operating system updates	This measure can no longer be reported by Serco as it now sits outside their control (it is a Microsoft responsibility following the move to MDM).	IMT will now work with Microsoft to monitor going forward.	This KPI is now obsolete and has been decommissioned. The associated abatement points have been redistributed to the remaining IMT KPIs.
IMT_KPI_18 (Nov-Dec)	% 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.	This is a new KPI, active from 1 July 2021, which has been on a glide with TSL/ MSL increases each month. During November the support desk was impacted by the MDM project which caused the result to be 87.75% (Nov) and 81.56% (Dec) against the target of 90.00%	Some individual users did not receive resolution in the target time.	IMT are aware of the pressures caused by O365 migration and agreed temporary mitigation. Actions are in place to reduce the backlog of tickets.

5. KPI Changes

The total number of Key Performance Indicators for the Serco Support Services Contract fell from 40 to 39 in December. They are subject to a continuous process of review. The outcome of a review may effect no change, a re-draft of the KPI or its machinery, replacement with a completely new KPI, or decommissioning. 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. As a result of this process, there has been one change during the review period, set out in Table 4 below:

Table 4: Details of KPI changes, Aug – Dec 21:

KPI	KPI Description	Previous			Revised			Change Date	Description of Change	Reason for Change	Current Status
		pts	TSL	MSL	pts	TSL	MSL				
IMT_KPI_14	Windows end user devices patched within 21 days of release of critical operating system updates.	35	95.00	90.00	n/a	n/a	n/a	31/11/2021	Decommissioned on 31/11/21.	Following implementation of Office 365, this responsibility now sits with Microsoft.	Discontinued. The abatement points for this KPI have been redistributed to the other IMT KPIs ref. CCN113.

6. Corporate Support Services Review Project

Table 5: Position Update:

Corporate Support Services Project Overview (as at 31/12/21)

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	July 22 to end Mar-24	Current Status
						NOW								
IMT	Investigation		Options Appraisal			Engagement, Scrutiny & Decision Making			Transition				On plan	
CSC			Investigation			Options Appraisal		Engagement, Scrutiny & Decision Making		Transition			On plan	
HR Admin & Payroll			Investigation			Options Appraisal		Engagement, Scrutiny & Decision Making		Transition			On plan	
Exchequer & ASC Finance			Investigation			Options Appraisal		Engagement, Scrutiny & Decision Making		Transition			On plan	

High Level Summary - Latest Position as at 31/12/21

IMT	<p>A first draft options paper for IMT services has received approval from CLT and will now be finalised in order to progress through the decision making process. The recommended model is in line with the early thinking on future IMT services which was reviewed and supported by OSMB during 2021 ie a combination of specialist providers (rather than a single prime provider providing the bulk of our IMT service delivery) supported by the necessary in house capability to deliver on the approach set out in the report to OSMB on the 17 March 2021. Essentially that proposed that the Council would outsource the support desk; the management of cloud services; and enhanced security services whilst bringing in house technical operations; application services; data services and service integration management. Since then we have carried out in depth market engagement on the proposed outsourced services, received a report from Gartner independent expert analysts, have engaged with other authorities and public authorities to see what commissioning approaches they have taken and have reviewed government guidance.</p> <p>The market engagement was extensive and has confirmed that the service design and solution is sound and that there is a high level of interest from providers, that sufficient time has been allowed for the procurement and service transition, that service desk and operations staff are likely to be remotely based, that strong relationships and collaboration between the Council and service providers and as between service providers is essential, that it would be better to combine the management of cloud services and enhanced security services into a single lot and that the operational service integration management activity (SlaM) would best sit with the support desk provider with the governance and strategic aspects of SlaM sitting in the Council. Discussion with other authorities has shown them taking similar design approaches to the Council. Further government policy supports the approach taken by the Council. In 2017 the Government Commercial Function noted that government policy is to move away from large, single provider IT outsourcing contracts to multi-provider arrangements combined with in-sourcing where appropriate, and adopting a cloud-first principle. This is because independent analysis has highlighted that single provider contracts no longer represent value for money and that their structures constrain the relevant organisations from modernising technical environments.</p> <p>The Gartner report commissioned by the Council also validates the proposed service design and where there are deviations from Gartner's general approach there are valid reasons e.g. on application support the usual approach would be to outsource this but Gartner accepts the Council's reason for delivering it in house until non bespoke solutions can be found which is the lack of a market for local government bespoke and service critical legacy statements. Further work is now being done on the internal IMT structure which supports the service model. The intention is to bring the final options appraisal to OSMB in late April with a decision by Executive in May.</p>
CSC	<p>The investigation work on the future requirements for the Customer Service Centre (CSC) has been largely completed and the options for operational services from 2024 and the transformation programme (which will begin earlier than 2024 in line with the Council's customer and digital strategies), are better understood. Further work will be done in 2022 to come to a view on, and develop the preferred model with a view to progressing through the decision making process in line with the timetable outlined above. It is anticipated that a full options paper will be presented to OSMB in May 2022.</p>
HR Admin & Payroll	<p>Investigation work has been completed ahead of plan and the options for these services have been considered by CLT. Due to the nature of the services, the future options for HR Admin and Payroll are to be considered jointly. These workstreams have been merged and will be lead by the Head of HR with support from the service. Additional work on the options will be finalised by the end of February 2022. In order to enable decision making on all non-IMT services within the current Serco contract to be aligned, the options paper will be presented to OSMB in May 2022.</p>
Exchequer & ASC Finance	<p>Investigation work for these services was also completed ahead of plan and the options have been considered by CLT. The interdependencies between the Exchequer services and ASC finance are now clearly understand and a final options paper will be drafted to ensure a single recommendations for the future direction of both services. As such these workstreams have been merged for reporting purposes but will retain an expert lead from each service. Again, in order to enable decision making on all non-IMT services within the current Serco contract to be aligned, the options paper will be presented to OSMB in May 2022.</p>

7. Green Trend Analysis

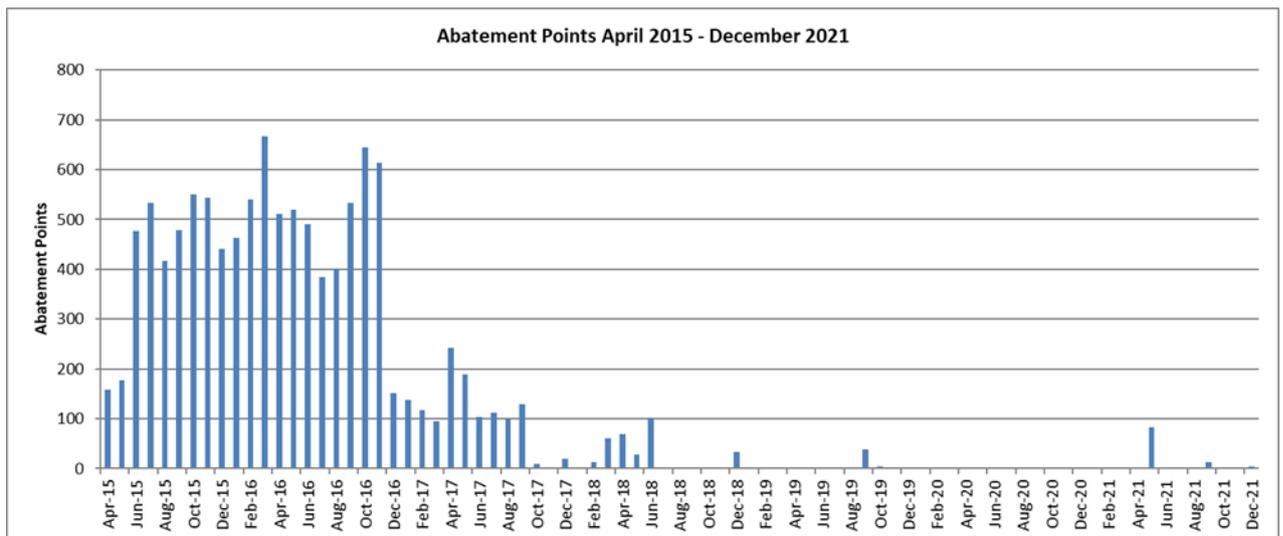
This section aims to note any significant changing trends in those KPIs which have met the TSL but may be showing signs of significant performance change - deterioration or improvement. This green KPI trend data has been tracked from April 2018 to date. It is important to note that the purpose of this 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 November 2021, 70% of the green KPIs are currently stable or improving. This is a reduction compared to July 2021 when the result was 77%, however the Board is asked to note that the main reason for this is that three of the original green KPIs (CSC_KPI_01, CSC_KPI_09, IMT_KPI_09, all were high performing) are no longer being tracked as a result of replacement/ deletion as reported in the previous submission of this report. None of the KPIs are on a trajectory to fail before contract end.

8. Abatement Points

Table 6 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 that area's financial payment for that month.

Table 6: Total monthly abatement points from contract start to Dec 2021:



9. Conclusion

KPI Performance Summary August to December 2021:

This period showed a strong 'green' performance, with only the Customer Service Centre missing two TSLs in September, and PM one TSL in December.

Serco Highlights for the review period August to December 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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