

From: Gary Cooke, Cabinet Member for Corporate and Democratic Services.
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To: Policy and Resources Cabinet Committee

Date: 2nd December 2016

Subject: Business Services Centre Performance Update and Future Delivery Plans

Classification: Unrestricted

Future Pathway of Paper: None

Electoral Division: N/A

Summary:

This paper seeks to update Policy and Resources Cabinet Committee on the Business Services Centre (BSC) performance over the first quarter of the financial year 16/17, to highlight some of the key trends, outline key business developments and aspects of the future evolution of the service.

Recommendation(s):

The Policy and Resources Cabinet Committee are asked to note the current performance of the BSC and future plans.

1. Introduction/ Background

- 1.1 The Business Services Centre (BSC) was established in April 2015 as an internally commissioned service with an aim of bringing together the transactional back office services across HR, Finance and ICT. Alongside the establishment of the BSC the services were market tested as part of the back office procurement exercise. Following the market testing exercise a decision was taken not to award a contract.
- 1.2 Since it was established the Business Service Centre has increased its income from HR traded services from £3.98m in 14/15 to £4.12m in 15/16 with the surplus returned to KCC and EIS increasing from £0.62m to £1.05m. Through making efficiencies it has been able to deliver the requirements of the Medium Term Financial Plan.

1.3 To manage the services, which are commissioned by KCC, Service Level Agreements (SLAs) are in place with the commissioning functions in KCC. Within these there are a number of Key Performance Indicators (KPIs) and Performance Indicators (PIs) which are monitored and reported each month to the client commissioning teams. These outline levels of activity and measure the quality of the services provided against the agreed targets and are monitored by the client commissioning teams to ensure that the BSC service is being delivered to the agreed standards, and by the BSC to identify areas for service improvements, efficiencies, resource planning through demand analysis and highlight areas outside of BSC that are impacting on the achievement of targets.

1.4 The BSC is organised into 5 functional units as follows:

Business Development	Customer Services	Operational Services	Professional Services	Technology Services
Sales & Marketing Design & Content Client Relationship & Business Support	ICT Support Services	Financial Assessments Debt Recovery Payments HR Connect HR non-Consultancy / Advisory plus KGP Payments Control HR Control	Programmes & Projects Benefits Cashiers Client Financial Affairs Data Quality & Control (Client Billing) L&D Advisory SPS Consultancy Kent Teach	Applications Infrastructure HR Systems Development EIS Services ICT Security & Performance

1.5 The BSC delivers a wide range of corporate and traded services to KCC and external customers including:

- Over 74,000 calls answered annually by the 4* SDI accredited ICT Service Desk
- Over 13,500 Financial Assessments undertaken annually for social care clients
- 12,000 Kent Care invoices produced per four weekly billing run
- 470,000 payments processed by Accounts Payable annually
- Over 71,500 assignments processed monthly across staff, pensions, school/academy and external client payrolls
- 20,000 Disclosure and Barring checks processed each month for public, private and voluntary sector customers of KCC's employment check system
- Over 4,000 EIS contracts for IT services to schools and academies

2. Review of BSC Key Performance Indicators and Service Update

- 2.1 The corporate KPI's are reported to the Policy & Resources Cabinet Committee as part of the Performance Dashboard within EODD, Infrastructure and Finance.
- 2.2 There are 12 additional KPI measures in addition to those reported at corporate level which form part of the SLA's. The full list of KPI's is provided in Appendix 2.

ICT

- 2.3 Overall the service has performed well with customer satisfaction, KPSN, ICT and email service availability exceeding performance targets. In particular customer satisfaction with the ICT service desk remains a strength with 98.5% positive feedback for the quarter. There were however a number of pressures for ICT during the 1st quarter which impacted on the achievement of some of the targets.
- 2.4 The average telephone wait time target was not achieved due to the additional pressure on resources supporting the Blackberry replacement project, which combined with an earlier Easter holiday created a higher than usual demand on the Service Desk. 35% more calls were received in May compared to the previous year, despite additional support communications. This KPI has since moved back within target.
- 2.5 The average time to fix incidents target was not achieved predominantly due to a number of aged incidents being closed during June. If the aged incidents had been excluded this KPI would have been within target. Of the approximately 2,500 incidents logged every month over 60% were closed within a day.
- 2.6 During the period there were four major incidents which impacted on performance levels and created a higher demand for services:-
 - Email was unavailable in May
 - Network issues which affected all sites in June
 - A problem with UC in June – Multiple handsets displaying no telephony possible
 - Kent.gov.uk – page cannot be displayed in June
- 2.7 The last two incidents highlighted above were out of BSC's control and were as a result of a 3rd party contractor. Incident reviews have been undertaken in respect of those within BSC's remit to ensure that lessons are learnt and appropriate measures put in place to ensure that they are not repeated.

- 2.8 The BSC is committed to the development of a competent workforce and a really good example of this is within the Customer Services Team. To fill skills gaps within the current workforce two Apprentices have been employed, commencing employment in September 2016. This is building on previous successes where Apprentices have been appointed to permanent roles, not only ensuring a return on investment, but effective workforce planning.

Finance

- 3.1 Key achievements in the first quarter include over 97% of invoices being entered onto AP systems by the KCC due date where received on time, exceeding the 95% target.
- 3.2 The Council's Social Care Debt position improved in the first quarter compared to the equivalent period in 2015 with overall debt (as at June 2016 compared to June 2015) reducing from £18.189m to £17.406m and overdue debt reducing by from £13.559m to £12.677m. It should be noted that since then the overdue balance has increased slightly to £12.814m in October. The BSC have reviewed the underlying position and the change in trend with the Commissioning Team and are putting in place an action plan to correct the position.
- 3.3 There were however significant pressures for both Case Management and the Finance Teams within BSC during this period which impacted on the delivery of other performance targets
- 3.4 During the first quarter the annual reassessment process is a key activity for BSC, and creates significant pressure on resources from a large volume of queries where individuals are identified as requiring a new financial assessment. A business process review has been undertaken, taking into account lessons learnt and streamlining processes which will improve the process for next year. Where there are delays with assessment timescales which originate from case management, or the financial agent, the BSC works together with the Client Commissioning teams with an aim of improving processes and removing delays to mitigate the impact on income to KCC.
- 3.5 Within Client Financial Affairs (CFA) and Benefits there is an upward trend in both referrals and number of clients supported compared to the same period last year. This is partially due to clearing a historic backlog, an increased demand for financial management from Social Care and also a larger number of clients with a debt to KCC which are referred to CFA.
- 3.6 Continual improvements to systems and processes have remained a focus:
- Improvements within the Financial Assessment Team have enabled more assessments to be progressed as a result of a change in circumstances without a dependency on the provision of additional information from case management. This has led to an increase from 246 to 387 compared to the same period last year.

- BSC are in discussions with Agilisys to progress an online assessment form using their Quickheart solution including scoping the feasibility of integration with Swift. This would potentially remove the need for the assessment referral form, facilitating greater efficiencies and improvements in the financial assessment process.
- Within BSC a Customer Relationship Management system (CRM), Oracle Service Cloud has been rolled out to a number of teams, facilitating improvements in workload management and more accurate reporting on volumes and performance against SLA targets. In particular this has driven significant improvements within the AP team where problems can be spotted and resolved before an invoice is due for payment.

3.7 All academies, with the exception of one, are now paying for the Free School Meals Service which has seen projected income increase to £80k.

HR

3.8 The performance targets for commissioned HR services are consistently high with all targets being achieved. The accuracy of the payroll and customer satisfaction is consistently high and again exceeds targets.

3.9 There is an ongoing trend with salary overpayments (current staff) reducing each month. This quarter has seen salary overpayments at its lowest level at £54.6k, which is £25.7k lower than the same time last year.

4. Business Development Update

4.1 Another key focus continues to be income growth for BSC products and services. This quarter has seen the BSC continue with their successful track record of generating income. SPS products are on target to deliver an additional £200.6K income in 2016/17 compared to 2015/16, and Kent Teach products an additional £59.6K income in the same period.

4.2 There have been a number of new contracts secured in this quarter across the range of BSC services:

	EiS
Number of new contracts	41
Annual value of contracts	£52,681
Number of new customers	10
Number of opportunities	126
Annual value of opportunities	£180,377

	SPS	Kent Teach	DBS (SaaS and UB)
Total no. of new customers (live)	15	17	16
Annual total value of new customers (live)	£60,100	£20,000	£24,500
Number of new contracts won	18	17	19
Total value of new contracts won	£61,400	£20,000	£60,500
Number of opportunities	11	n/a	n/a
Annual value of opportunities	£49,700	£20,000	£75,500

- EiS rolled out virtual solutions that support the digital student and school community in Community College Whitstable, Herne Bay High and Northfleet Secondary School. This included cloud services, unified communications, and remote backup services and hosted SIMS.
- 3 new Employment check DBS contracts were won for the SaaS solution which will deliver an additional £36K income this year.
- 13 new customers went live on SPS' IntePay payroll service with an annual value of £47K and 15 new contracts were signed with an additional value of £40K.
- SPS are also in discussions to deliver HR services to the Solent Academy Trust in Portsmouth for services with an annual value of £35K.

4.3 There have been a variety of new products launched to support the BSC's growth in traded services.

- Teacher Dashboard – developed by EiS to launch in September. This allows the creation and sharing and assessment of homework assignments without leaving Office365, providing students with opportunity for collaboration and teachers increased flexibility for delivering and managing homework.
- “Virtual School in a Box” - another new EiS development. This single server product requires limited space, reduces schools' carbon footprint and is guaranteed to last for 5 years.
- New Website – launched by SPS to promote its HR services to schools in Oxfordshire as part of their collaboration with Oxford City Council.
- New Academies Offer – created by SPS which they hope will launch next year.
- International Recruitment Project - Kent Teach have launched this project to recruit qualified teachers from New Zealand and Australia. The aim is to support schools and academies in Kent with the recruitment of quality teachers during the current shortage. They will have travelled to New Zealand in October 2016 to interview teachers on behalf of Kent schools/academies. Seven schools have joined the project group and they are hoping to recruit 20 teachers in total.

5. BSC service development and Evolution

- 5.1 Now that the BSC has been operational for a year Ernst and Young were commissioned to consider how the BSC can best support the Council meet its objectives in the future. The review considered an assessment of the current service offer and a high level options appraisal of different delivery models and how the options best allow the service to deliver high quality services to our customers within the resources available and to continue to support the Council to meet its financial challenges. A summary of which is set out in the Exempt Appendix 1.

6. Conclusion

The BSC has performed well over the first quarter and continues to deliver against the financial targets set in the medium term financial plan. Following the E&Y review, plans are being progressed to further strengthen the BSC service offer to KCC and take forward opportunities to secure additional income.

7. Recommendation

Recommendation:

The Policy and Resources Cabinet Committee are asked to note the current position.

8. Contact Details

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