



AGENDA ITEM: 8b

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	5 November 2013
PART:	1
If Part II, reason:	

Title of report:	Performance and Risk report Quarter 2 2013/14 – Performance and Projects
Contact:	Neil Harden, Portfolio Holder for Residents and Regulatory Services Author/Responsible Officer: Shane Flynn, Assistant Director (Performance and Projects)
Purpose of report:	To provide the Committee with analysis of performance of services and functions provided by the Performance and Projects division of the Chief Executive's Department to 30 September
Recommendations	That the Committee notes the contents of the report and the performance of the division for Quarter 2, 2012/14.
Corporate objectives:	Effective performance and project managements supports the delivery of all five of the Council's objectives with particular focus on <i>Dacorum Delivers</i> .
Implications:	<u>Financial</u> None.
'Value For Money Implications'	<u>Value for Money</u> Effective performance and project management supports the achievement of value for money in the pursuit of the Council's objectives
Risk Implications	Risk Assessment reviewed on 30 September 2013
Equalities Implications	Equality Impact Assessment reviewed on 30 September 2013. There are no direct equalities implications arising from this report.

Health And Safety Implications	There are no direct health and safety implications arising from this report
Consultees:	None
Background papers:	Attached: 1. Quarter 2 Performance Indicators report 2. Quarter 2 Operational Risk report
Historical background (<i>please give a brief background to this report to enable it to be considered in the right context</i>).	This is a regular report to the committee detailing the work of the division and its performance over the past quarter and highlighting plans for the forthcoming period based on a review of operational risks. On 1 July a new operating structure was established and elements of the Strategy and Transformation, Community and Organisation were transferred to other divisions. The Performance and Projects division was created to bring together corporate functions supporting the Council's continuous improvement programme, specifically: <ul style="list-style-type: none"> • Performance • Projects • Dacorum Anywhere • Corporate Support • Information, Communications and Technology
Glossary of acronyms and any other abbreviations used in this report:	CSCG: Customer Service Centre and Gateway EDRMS: Electronic Document and Records Management System PSN: Public Service Network SIP: Service Improvement Plan (for Northgate CSCG)

1 Introduction

1.1 Performance reports are produced quarterly from the Council's performance management system, CorVu. The service performance report for quarter 2 (June to September 2013), is provided at Appendix A. These are currently limited to targets relating to the performance of the Customer Service Centre and Gateway (CSCG) and all indicators are within tolerance levels. Performance targets for other parts of the Performance and Projects division are being developed for 2014/15.

1.2 Detailed reviews of the risk registers relating to those service area were undertaken during quarter 2. Commentary on changes to risk levels is provided

below. The operational risk register and detailed performance reports are available on the CorVu Portal, on the Council's Intranet.

2 Performance indicators

- 2.1 The performance of the division for the second quarter of 2013/14 was strong with all indicators being within tolerance levels. A more detailed review of the CSCG performance is provided elsewhere on the agenda. However three indicators require specific commentary:

CSU02 - Percentage of enquiries that are resolved at first point of contact within the Customer Service Centre

CSU02 - Percentage of enquiries that are resolved at first point of contact within the Contact Centre

and

CSU04 - Percentage of calls answered in the Contact Centre within 20 seconds:

71.07% against a target of 70%.

- 2.2 The two indicators which relate to the percentage of enquiries dealt with at first point of contact are measured by operatives who note, at the end of each call, whether the call was resolved or not. There are four categories:

- 1.resolved/avoidable
- 2.resolved/unavoidable
- 3.unresolved/avoidable
- 4.unresolved/unavoidable

- 2.3 The quarter 2 performance declined on quarter 1, although it remains above target. This needs to be carefully monitored for two reasons:

- to maintain the principle that the CSCG will act as the first point of contact, with calls direct to the back office remaining minimal; and
- to ensure that, as channel shift increases, the number of avoidable contacts reduces (as people no longer feel the need to phone or call in with queries).

- 2.4 The slight drop in performance in quarter 2 is not a cause for concern at this stage as it is understood to reflect more precise recording of call outcomes. However, it will be kept under review.

- 2.5 The indicator relating to calls answered within 20 seconds has dropped significantly from quarter 1. This is not a result of reduced performance but from a change in the way that the indicator is reported. Since August 2013 only those calls answered directly by the CSCG operatives are reported against this indicator. Prior to that all calls received by the council were included. This change has been made to allow performance of the CSCG contract to be monitored. The current target within the contract is 42% which was the actual number of calls answered within 20 seconds by the CSU at 5 August.

- 2.6 Sickness absence levels within the division were recorded as very low during the second quarter of 2013/14. There are no direct comparisons with quarter 1 because of the restructure. There are no significant long term absences.

3 Service reports

- 3.1 During quarter 2 the operational risk register relating to Performance and projects was reviewed. Reports for the service areas for the division are given in the following sections. These reflect changes to the risk register since quarter 1 and developments against service plans.

4 Performance, Projects and Dacorum Anywhere

- 4.1 Under the new structure from 1 July responsibility for contract monitoring of the CSCG falls to a new post to be appointed. Pending that appointment, the contract is being managed by the Assistant Director (Performance and Projects) and strategic matters relating to the contract, including Customer Relationship Management (CRM) and Channel Shift are reported here.
- 4.2 Since the implementation of the contract in August the focus has been on performance improvement (reported on separately) and increasingly on the development of the CRM (including Citizen Insight) and Channel shift projects. Consequently the following risks have reduced as governance structures and project plans have now been developed:

PP_R01 Lack of capacity to bring together all of the strands of the information required (reduced from 6 to 4)

PP_R04 Lack of capacity and financial resources to transform services through ICT (reduced from 8 to 6)

- 4.3 In addition five new items have been added to the risk register relating to the CSCG transformation. These include the CRM and channel shift projects and the potential impact of these on resources across the Council and for ICT in particular:

PP_R11 The CSGC contractor focuses attention on meeting speed of response targets and not quality of service (current residual risk level: 4)

PP_R12 During the transformation of the CSCG there is a high level of requirement for DBC staff resource (current residual risk level: 9)

PP_R13 The introduction of inform 360 and automated self-service options via telephone reduces access and/or satisfaction with contact (current residual risk level: 6)

PP_R14 Integration of CRM systems cannot be accomplished due to technical difficulties or high cost (current residual risk level: 9)

PP_R15 Redundancy costs of transferred staff borne by DBC in first year of contract (current residual risk level: 8)

- 4.4 A significant aspect of the division's work in the second quarter has been in relation to establishing suitable governance arrangements for the contract and for the two related projects. The key task is to align the project plans set out by

Northgate in the Service Improvement Plan (SIP) with the Council's own improvement programmes and resource commitments. As part of this, joint operational working groups have been set up to manage each of the projects and the Council's Web and Customer Access Strategy (September 2011) is being revised.

- 4.5 Outside of the CSCG contract, the division has continued to focus on introducing a Performance Management approach as a means of addressing two key risks:

PP_R02 Failure to develop a range of initiatives to contribute to the Council's improvement and efficiencies agenda (increased from 8 to 12)

PP_R03 Services do not understand or support the need to innovate and improve (no change: level 8)

- 4.6 The risk has increased due to the revised Medium term Financial Strategy which anticipates that savings of around £5m will be needed over the next four years. This increases the need to ensure that all activities are geared towards key aims and that resources are deployed as efficiently as possible to achieve those aims.
- 4.7 The revised Corporate Plan is due for submission to Cabinet in November. Targets for most of the Key Performance Indicators have now been set, although further revision will be possible between Cabinet approval in November and publication in the spring. There is a separate report on this process on the agenda.
- 4.8 The next stage will be to review the existing suite of detailed performance indicators to determine whether these provide the right information to the right people for the right purposes. As part of this process existing PIs are being categorised into:
- Outcomes measures (what impact are we having?)
 - Customer satisfaction measures (are we doing the things we said we would to the right level of quality?)
 - Internal Health (are we economic, efficient and effective in our operations and managing our resources, including people, well?)
- 4.9 Assistant Directors have been provided with a statement of which indicators are reported to which committees and have been asked to review them with a view to reducing the number and improving reporting to Members.
- 4.10 Alongside this, the new project management system is being launched at a joint CMT/Group Managers meeting on October 23rd. This will establish stronger governance arrangements based on a gateway process and will include revised and simplified documentation. As a result, a more comprehensive set of monitoring reports is now provided to the Performance Board each month.
- 4.11 The Dacorum Anywhere programme continues to progress. Specific ICT resources have been identified to support Dacorum Anywhere and the related

roll out of Northgate's Information@Work Electronic Document and Records Management System (EDRMS). This has resolved the problems with delivery encountered during the earlier part of the year. The main areas of increased activity are:

- Delivery of the first tranche of Housing files to Northgate for backscanning
- Planning the roll out of DBC authorised devices to Members resulting from the Cabinet Office's new stringent requirements for Public Service Network (PSN compliance).

4.12 As this project engages with more service areas, so the potential opportunities provided by new ways of working is being realised. Evidence for this is from the increased requests for information about the roll out of the various elements of the programme. To support the transition a set of supporting documents are being prepared for Group Managers including ideas for making the most of the opportunities afforded by Dacorum Anywhere. Consequently the following risk has been reduced:

PP_R05 Lack of 'buy-in' from services in terms of the culture changes needed to deliver innovative ways of working (reduced from 8 to 6)

5 Corporate Support

5.1 Corporate Support forms part of the core structure of the Council and therefore has a central role to play in the improvement programme. Two new items have been added to the risk register to reflect key work strands that have been affected by the transition from the Performance Improvement Directorate and the change programme:

PP_R09 Suitable electronic systems for incoming and outgoing post are not established in time for decant (current residual risk level: 3)

PP_R10 Insufficient capacity to support increasing number of formal meetings (current residual risk level: 4)

- 5.2 The first reflects the role that Corporate Support will play in ensuring the efficient flow of information through the organisation, including workflows relating to complaints, MP queries and Ombudsman queries, all of which are managed by the division.
- 5.3 On 1 October the Corporate Management Team accepted a detailed report of a pilot exercise designed to assess the resources required to move from paper-based approaches to electronic post arrangements. The pilot demonstrated that the transition could be made with no increase in existing resources: that is, the time taken to circulate paper manually can be reallocated to scanning and posting items electronically to departments to index and file as needed.
- 5.4 Consequently the risks of failure to introduce an EDRMS are currently low. However, the development of a full incoming post solution need to match the roll out of the EDRMS and a decision is also required regarding external post arrangements. Therefore this needs to be kept under review. In addition, the management of MP and Ombudsman queries need to be strengthened. Development of the complaints system is currently being considered as the

way forward but this needs to be integrated with the development of the CRM solution so that all interactions with the public can be managed consistently.

- 5.5 The second risk relates to the loss of an experienced Directorate Support Officer on the transition to the new corporate structure and the increased need to manage meetings to support the transition to flexible working. A structure chart for the division is provided at Appendix C. Two Directorate Support Assistants are now supporting the Chief Executive's department with a direct report line to the Chief Executive. These sit outside the Corporate Support structure. For the remaining directorates, and support for Corporate groups, a pooled arrangement has been created which is managed operationally by a new Team Leader.
- 5.6 The pool arrangements should ensure that sufficient support is available but ICT solutions are also being considered, such as meeting recording, to help manage the increasing emphasis on controlled meeting arrangements. Flexible and remote working will increase reliance on tele- and video-conferencing and on the management of meetings including the management of meeting rooms.

6 Information, Communication and Technology

- 6.1 Risk scores in relation to ICT resources remain high but have begun to reduce. Included in this assessment are wider resources for the transition and continuous improvement programmes as these have significant overlaps with the CRM/Customer Insight and Channel Shift projects. Moreover, the main form of capital investment required for the transition is ICT related.

PP_R06 Lack of Resources (reduced from 6 to 4)

PP_R07 Other projects need heavy ICT resource (reduced from 9 to 6)

PP_R08 Lack of Capital or Revenue funding (no change: level 6)

- 6.2 These indicators relate to the wider commitment of resources to the improvement programme across the council. To address the potential impact of that programme on business as usual activities the ICT team has been strengthened by the new ICT Group Manager and recruitment to the approved structure is underway. In addition, the Council is currently over-reliant on specialist contractors to deliver the ICT element of projects. Application has therefore been made for a full time business analyst and project manager.
- 6.3 Large development projects over the next 2 years are expected to include the following:
- Decant and preparation for PSQ
 - EDRMS (continuing)
 - Customer Relationship Management
 - Channel Shift
 - Sports Bookings/Allotments
 - Legal Case Management
 - Intranet Replacement
 - HR system Replacement

- Planning system development or replacement.

6.4 Using the existing approach, it is estimated that purchasing Consultancy Services to cover all of these projects would cost the Council between £200,000 and £240,000 (3 days per week at £650 - £800 per day). The full cost of a Business Analyst/Project Manager would be around £50,000 per annum (excluding oncosts), representing a saving of around £100,000 to £140,000 across the two years.

Table 1 – cost comparison

	Y1 £	Y2 £	Totals £
DBC Resource	50,000	50,000	100,000
3rd party Resource (average)	110,000	110,000	220,000
Difference	(60,000)	(60,000)	(120,000)

6.5 More widely, additional resources have been provided for procurement, project management (particularly for PSQ and decant), contract management (CSCG) and Total Asset Management). The risk that resources will not be available to support the transition and continuous improvement programmes has therefore reduced.

6.6 The requirement for capital and revenue resources for the improvement programme remains high. However, the new project management system enables a monthly reconciliation for the approved budgets with required and actual spend. There is a reduced risk of resources not being in place to meet the costs of the change, therefore, but the risk score has not been changed as significant risks exist in relation to the decant and PSQ projects where there is still some uncertainty around the likely actual full costs of these projects

6.7 In addition to supporting the change programme, the ICT service has been faced with two key issues this quarter:

- The need for increased resilience following disruption caused by two power outages in August
- Production of a submission to the Cabinet Office in respect of PSN compliance under threat of termination of GCSX services

6.8 The power outages were caused by breakages of external cables, one of which was caused by contractors working at the Highbarns Chalkmine. As the outages were caused externally, the Council was able to invoke clauses in the contract with the supplier Vtesse, requiring reinstatement within a given period and this was achieved. The incidents also proved the efficacy of the Dacorum Anywhere solution as most homeworkers were able to continue working while office-based workers could not access systems.

6.9 However, the incidents highlighted a key flaw in the contract with Vtesse which provides for external routing of data to and from the Council's sever farm at Amersham through fibre optic cables. The contract with Vtesse specifies the

delivery of two cables to provide increased capacity and resilience. However both of these cables are routed along the same channels, whereas, for increased resilience, they should be routed along different channels. The original intention was to establish a route through Aylesbury as part of the planned shared service ICT arrangements between the Council and Aylesbury Vale District Council. When the shared service was halted, the planned routing solution was not implemented.

- 6.10 To address the resilience issue an urgent request for a contract variation has been put forward to Cabinet in October as the least cost and quickest option. Detailed questions relating to the contract arrangements have been raised by Members as part of this procurement request which will be addressed separately and circulated to the committee, as required.
- 6.11 In respect of PSN compliance, the submission was provided by the due date of 11 October. In the meantime, the Cabinet Office withdrew the immediate threat to terminate GCSx services due to its underestimating the capacity required to support the process. The submission will now be reviewed and the Council will be advised in due course whether it is in compliance with PSN requirements in preparation for the conversion from GCSx to PSN from April 2014.
- 6.12 The submission includes an action plan to address areas where the Council currently does not meet the expected standard. This will mean changes to current working practices, including, in particular:
- the management of administrator passwords which are embedded across multiple systems within the Council
 - the availability of open, unsecure connections in meeting rooms
 - the use of non-authorized devices to access systems, including webmail.
- 6.13 Chief responsibility for these matters rests with the Information Security Officer within the Chief Executive's Division but there is a significant input from ICT. Therefore progress will continue to be reported to the committee as appropriate.