



# FINANCE & RESOURCES OVERVIEW AND SCRUTINY COMMITTEE AGENDA

*Scrutiny making a positive difference: Member led and independent, Overview & Scrutiny Committees promote service improvements, influence policy development & hold Executive to account for the benefit of the Community of Dacorum.*

**TUESDAY 7 OCTOBER 2014 AT 7.30 PM**

**BULBOURNE ROOM, CIVIC CENTRE, HEMEL HEMPSTEAD**

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Adeleke	N Hollinghurst
Ayling	Marshall
B Chapman (Chairman)	Organ
Clark	Taylor
Collins	Townsend (Vice-Chairman)
Doole	W Wyatt-Lowe

(Substitute Members: Councillors Anderson, Elliot, Harris and McKay)

For further information, please contact Trudi Coston on Tel: 01442 228224, e-mail: [Trudi.Coston@dacorum.gov.uk](mailto:Trudi.Coston@dacorum.gov.uk). Information about the Council is also to be found on our web-site: [www.dacorum.gov.uk](http://www.dacorum.gov.uk).

## PART I

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## **1. MINUTES**

To confirm the minutes of the meeting held on 03 September 2014 as previously distributed; see link below:

<http://www.dacorum.gov.uk/home/council-democracy/meetings-minutes-and-agendas/events/2014/09/03/finance-and-resources-overview-and-scrutiny-committee/finance-and-resources>

## **2. APOLOGIES FOR ABSENCE**

To receive any apologies for absence

## **3. DECLARATIONS OF INTEREST**

A member with a disclosable pecuniary interest or a prejudicial interest in a matter, who attends a meeting of the authority at which the matter is considered:

(i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and

(ii) may not participate in any discussion or vote on the matter and must withdraw to the public seating area.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests or the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interest are defined in Part 2 of the Members' Code of Conduct.

## **4. PUBLIC PARTICIPATION**

An opportunity for members of the public to make statements or ask questions in accordance with the rules as to public participation

## **5. CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL-IN**

**AGENDA ITEM 6 – ACTION POINT FEEDBACK FROM PREVIOUS MEETING**

<b>Date of Meeting</b>	<b>Action Point</b>	<b>Responsible Officer</b>	<b>Completed?</b>	<b>Date Chased</b>	<b>Deadline</b>	<b>Update on Action Point</b>
03/09/2014	S Marshall to advise of the productivity baseline figure.	S Marshall	Complete		07/10/2014	Email sent to Members on 19/09/2014
03/09/2014	M Rawdon to update the committee on the customer focus project.	M Rawdon	Outstanding	24/09/2014	07/10/2014	M Rawdon to update Members in October
03/09/2014	R Baker to circulate fees and charges policy.	R Baker	Complete		07/10/2014	Email circulated to Members on 08/09/2014
03/09/2014	R Baker to advise on the uninsured losses relating to insurance claims from tenants.	R Baker	Complete	24/09/2014	07/10/2014	Email circulated to Members on 25/09/2014
03/09/2014	R Baker to advise of landfill cost.	R Baker	Complete		07/10/2014	Email circulated to Members on 25/09/2014
	S Baker to notify the committee when the Commissioning & Procurement					

	Strategy was available to view.					
03/09/2014	S Baker to summarise the recent Press enquiries.	S Baker	Outstanding	24/09/2014	07/10/2014	
03/09/2014	S Baker to advise of any legal reason why DBC use withheld numbers.	S Baker	Outstanding	24/09/2014	07/10/2014	
03/09/2014	J Doyle to provide Electoral Commission list relating to the Open Register.	J Doyle	Complete	24/09/2014	07/10/2014	Email circulated to Members on 25/09/2014



## AGENDA ITEM: 7

### SUMMARY

<b>Report for:</b>	<b>Finance &amp; Resources Overview &amp; Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>7 October 2014</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Shared and Outsourced Services Update – Customer Service Centre and Gateway Contract (CSCG)</b>
Contact:	<p>Cllr Neil Harden, Portfolio Holder for Residents &amp; Regulatory Services</p> <p>Cllr Brian Ayling, Cabinet Support Member</p> <p>Responsible Officers:</p> <p>Steve Baker – Assistant Director</p> <p>Ben Hosier – Group Manager (Procurement)</p> <p>Mark Housden - Commercial Contracts Lead Officer</p>
Purpose of report:	To update Members on progress with the Customer Service Centre and Gateway project.
Recommendations	That Members note progress and comment on the Customer Service Centre and Gateway project.
Corporate objectives:	Supporting the ‘Dacorum Delivers’ strategic change programme
Implications:	<p><u>Financial:</u></p> <p>Efficiency savings have been identified as part of the overall project and will be monitored through the Performance Management Frameworks, which form part of the contract documentation.</p> <p><u>Value for Money:</u></p> <p>Current central government legislation has identified that local</p>

'Value For Money Implications'	authorities should seek to provide value for money for citizens by exploring partnership arrangements to deliver services. The Northgate proposal was tested against a public sector comparator to demonstrate that the contract will provide value for money.
Risk Implications	A risk assessment of the CSCG project has been undertaken and reported to the Overview and Scrutiny Committee. An ongoing risk log was developed to cover all aspects of the transfer. Post contract completion a new project plan has been introduced and a revised risk register, focused on delivery, has been developed.
Equalities Implications	Equality Impact Assessment carried out This was included in the report to Cabinet on 26 <sup>th</sup> March 2013. Further impact assessments will be required to assess the impact of the Customer Relationship Management and Channel Shift projects.
Health And Safety Implications	There are no immediate health and safety issues. During the period March to July 2013 additional security arrangements were in place in the reception area to help manage the transition to Council Tax Support. The transition is now complete and therefore the additional security has been withdrawn. Normal security levels for staff are now in place.
Consultees:	<p>A corporate multi-disciplinary project team has been developing the CSCG project. In addition Customer Services staff have been engaged through regular staff meetings and the Staff Reference Group. Unison has also been consulted regularly.</p> <p>Approval for contract signature and transfer of service was delegated by Cabinet to the Portfolio Holder for Residents and Regulatory Services and the Corporate Director (Finance and Governance).</p>
Background papers:	<ul style="list-style-type: none"> <li>• Cabinet report, 26 March 2013 – Customer Service Centre and Gateway Tender Exercise (Part 2)</li> <li>• Cabinet report, 25 June 2013 – Customer Service Centre and Gateway Contract (Part 2)</li> <li>• Cabinet report, 23 July 2013 – Customer Service Unit Drawdown from Reserves</li> </ul>
Historical background <i>(please give a brief background to this report to enable it to be considered in</i>	In May 2011 Cabinet approved a Shared and Outsourced Services project. The project's objective was to explore shared service options for a number of Council services, including a 'strategic partnering' approach for Customer Services.

<p><i>the right context).</i></p>	<p>The approved procurement process resulted in the Customer Service Centre and Gateway Invitation to Tender (ITT) being released to the market on 30th October 2012. On 26 March 2013 Cabinet approved the award of a four year contract to Northgate Information Solutions Ltd.</p> <p>On 25 June 2013, Cabinet delegated authority to the Portfolio Holder for Residents and Regulatory Services on the advice of the Corporate Director (Finance &amp; Governance) to bring forward the forward the contract signature date (the Effective Date) and Operational Service Commencement Date, subject to completion of agreed tasks.</p> <p>The Finance &amp; Resources Overview &amp; Scrutiny Committee has continued to receive updates on progress on the contract since September 2012.</p>
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p>CSCG - Customer Service Centre and Gateway</p> <p>CSU - Customer Service Unit</p> <p>ITT - Invitation to Tender</p> <p>CRM - Customer Relationship Management System</p> <p>OLA - Operating Level Agreements</p> <p>PMF - Performance Management Framework</p> <p>Braxtel – Telephone call queuing system(old)</p> <p>Netcall - Telephone call queuing system(new)</p> <p>Q-Matic – Customer queue ticket system</p> <p>Inform360 – Automated telephone information giving system</p>

## 1. Background

1.1. The contract for the delivery of the Customer Service Centre and Gateway (CSCG) to Northgate Information Solutions UK Ltd (Northgate) was signed on 12 July and the service was transferred to Northgate on 5 August 2013.

1.2. This report provides an update on the performance of the contract.

## 2. Financial monitoring

2.1. Not included in this report.

## 3. Performance monitoring

3.1. The Commercial Contracts Lead Officer manages the contract on a day to day operational basis with a focus on client side monitoring, assessment and management of the contract.

3.2. Performance of the contract is managed in partnership with Northgate through an Operations Board which meets monthly to consider:

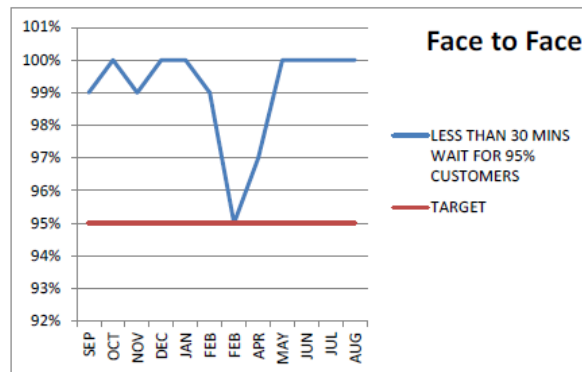
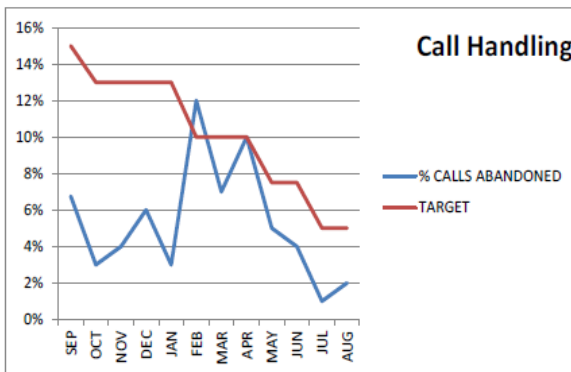
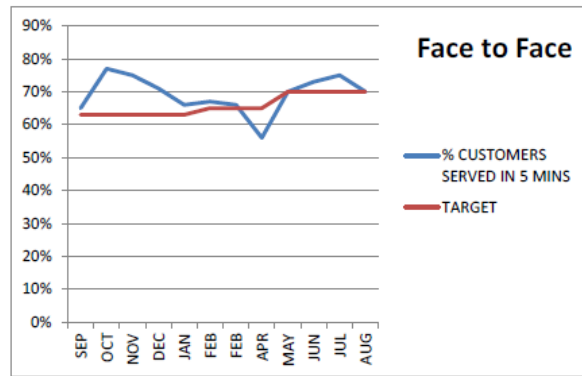
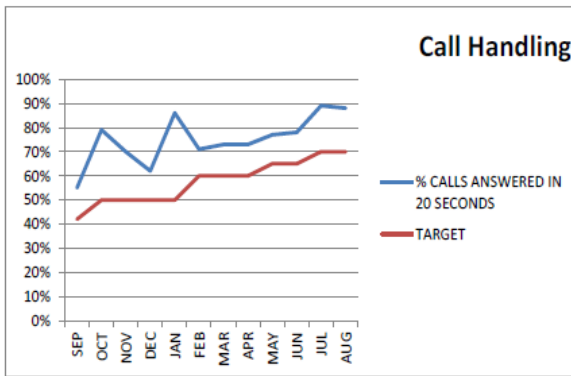
- Achievement against Key Performance Indicators (KPIs) for the preceding month and any service credits due
- Management issues
- Progress against the two core projects in the transformation programme: Customer Relationship Management (CRM) and channel shift
- Risk associated with the contract and delivery of the transformation programme.

3.3. In addition a quarterly Customer Service Unit (CSU) Strategic Board is held to oversee progress and support the Operations Board.

3.4. The KPI results for the contract are shown in the tables below.

<b>CALL HANDLING</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>
% CALLS ABANDONED	7%	3%	4%	6%	3%	12%	7%	10%	5%	4%	1%	2%
TARGET	15%	13%	13%	13%	13%	10%	10%	10%	7.5%	7.5%	5.0%	5%
% CALLS ANSWERED IN 20 SECONDS	55%	79%	70%	62%	86%	71%	73%	73%	77%	78%	89%	88%
TARGET	42%	50%	50%	50%	50%	60%	60%	60%	65%	65%	70%	70%
OPENING HOURS ACTUAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
OPENING HOURS TARGET	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>FACE TO FACE</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>FEB</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>
% CUSTOMERS SERVED IN 5 MINS	65%	77%	75%	71%	66%	67%	66%	56%	70%	73%	75%	70%
TARGET	63%	63%	63%	63%	63%	65%	65%	65%	70%	70%	70%	70%
LESS THAN 30 MINS WAIT FOR 95% CUSTOMERS	99%	100%	99%	100%	100%	99%	95%	97%	100%	100%	100%	100%
TARGET	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
OPENING HOURS ACTUAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
OPENING HOURS TARGET	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%





3.5. One of the KPIs within the contract is face to face waiting times. There are two indicators:

- Average wait time: The current target was increased from 65% in February 2014 and to 70% in May. Northgate have reported that this target is difficult to achieve pulling resources from the team answering telephone calls. However the target continues to be met.
- Longest wait time: the current target is that no more than 5% of customers have to wait longer than 30 minutes to be seen. This indicator exists to ensure that where increased volumes of customers come into the Council, the contractor commits additional resources to reduce the impact on waiting times. The indicator remains at 95% throughout the transition period and beyond.

3.6. The KPIs within the contract for telephony has increased over the last year and now stands at 70% answered within 20 seconds, and calls abandoned reduced to 5%. These were both met during August.

3.7. The contract allows for the Council to alter targets to drive improved performance over time. Discussions regarding the altering the KPIs is ongoing with a view to introduce more relevant measures of performance.

3.8. Other performance monitoring information is available under the terms of the contract but it is for monitoring purposes only. Data for July 2014 is shown in the table below

## Non-KPI Data, August 2014

Average wait time	1 minute 28 seconds
Longest wait time	27 minutes 20 seconds
Average call length	3 minutes, 10 seconds
Enquiries resolved at first point of contact	96%
Staff utilisation	72%

### 4. Factors affecting performance

- 4.1. The actions taken following the extraordinary meeting of the CSU Strategic Board held on the 15<sup>th</sup> May 2014 have brought stability to the service and the number of complaints have reduced significantly. The actions taken included taking on additional staff and reviewing the existing Inform360 scripts.
- 4.2. A known Dacorum ICT issue which prevents users from logging on had a negative impact on service delivery. This has now been resolved
- 4.3. Implementation of CRM system has been on hold awaiting PSN accreditation. This was achieved during June. The system is now ready and is now awaiting final connectivity between systems to be completed. It is now anticipated that this will be achieved mid August and staff will be using CRM from September.
- 4.4. The replacement of Braxtel took place in early June and this is now providing real-time management information to support day to day decisions on resource flexing between face to face and telephony. It is also now providing information to support reviews of calls being handled to identify problems.
- 4.5. Proposals have been submitted to improve the layout of the reception area and Face to Face Layout to improve the customer experience including flow, layout, payment and self-service zones and express service along with improved signage.
- 4.6. The provision of a self service machine to take payments and give information is being investigated to take advantage of the opportunity presented by the opening of the civic centre at weekends following the decision to accommodate the library service on the site.

### 5. The key service developments during August were as follows:

- Q-Matic system has been installed allowing customers to have visibility of queues.
- Netcall telephony queues now shown on large screens in call centre allowing all staff to see current status and calls waiting.
- Customer insight activity to review /position channel access strategies continues
- Analysis of use of Berkhamsted, Tring and Civic Centre continues
- Action plan agreed with Environment to handle communications regarding the new waste bin distribution and operation.
- Active engagement with the Customer Focus group has helped identify a number of causes of avoidable contact and areas where Inform360 scripts and Website enhancements can be made.

- Web recommendation report issued by Northgate.
- Proposal for changes to operating hours has been considered

## 6. Service Improvement Plan

6.1. The SIP is a key document that forms part of Northgate's contractual obligations. It sets out a timetable for implementing key stages of the service development, including two specific projects relating to the transformation:

- The introduction of a Customer Relationship Management (CRM) system, including Citizen Insight.
- Channel shift from face-to-face and call contact to web-based interaction where this improves access to services and promotes efficiency.

### CRM

6.2. The Customer Relationship Management System was due to be introduced during November but a variety of technical issues have delayed implementation. These relate to ICT matters primarily concerning the suitability of firewall arrangements. The Firewall is now implemented and IT / Northgate worked to test and ensure connectivity between systems during August to ensure the go live date in September is met.

6.3. The CRM system operates by drawing information from back office systems into one system to provide a 'single view of the customer'. This means that when customers contact the council all their details and transactions can be accessed quickly and easily by CSU staff. The impact of the delays in CRM is minimal as staff continue to have access to back office systems with which they are familiar. The CRM system will bring benefits over time in terms of:

- improving the quality of interactions with customers
- reducing training for new staff who will only have to view one system which brings in data from back office systems.

6.4. However, the introduction of CRM is a key item within the agreed Service Improvement Plan and we will continue to monitor progress to ensure that the Council realises the full benefits of the contract once the system goes live.

### Channel shift

6.5. This has been a significant area of activity for some time and has led to a number of outputs to date that are designed to increase the extent that services are shaped around customers' needs and to increase access to services through increased use of the Council's website and other media:

- Web and Customer Access Strategy, updated edition agreed May 2014
- Re-launch of the website in April 2013
- The Customer Promise published in June 2013 and reproduced at: <http://www.dacorum.gov.uk/home/customer-promise>
- The inclusion in the CSCG contract with Northgate of Customer Relationship Management and Citizen Insight projects
- The development of a database of indicators of wellbeing and the Evidence Based Decision Making project
- The Digital Inclusion project

- Two-day leadership team development programme with customer focus as the central theme
- The development of a Customer Focus Group to review activities within Dacorum to ensure changes are implemented to support channel shift

6.6. Each component of this shift to digital access has to date been managed separately. The inclusion of related projects within the Northgate contract was designed to move things forward through a partnership approach. However, the contract has limited objectives which relate to the impact of CRM and Channel Shift on the function of the Customer Services Centre rather than on the Council as a whole

6.7. A wider need has been recognised to engage all services and functions in the pursuit of increased customer focus. Therefore it is necessary to bring all of these strands together in a co-ordinated way and to establish the Customer Focus theme as central to departmental strategies and operational plans.

6.8. A cross organisation Customer Focus project has been established to gain customer perspectives on service delivery and to deliver internal changes in support of channel shift and to reduce failure demand.

## 7. Risk management

7.1. Risk registers relating to the delivery aspect of the CSCG project are reviewed monthly by the Operational Board. An ongoing log of issues is also being maintained with action points to be agreed at the Board meetings. The following issues were logged at the July Operational Board meeting.

### CSCG issues and actions as at July 2014

Issue	Action taken
<b>SLA</b>	Discussion over service levels is still taking place. An IT SLA has been issued and is under discussion between Northgate and IT prior to sign off. Main issue is lack of IT support at the early part and at the end of the day
<b>CRM</b>	Go Live will now take place on in September rather than the previously reported 13 <sup>th</sup> August within CSU. DBC IT have been working with Northgate to implement the necessary changes. Revs and Bens are also assisting with data load validation in the run up to go live

## 8. Conclusion

8.1. This report reflects a period of continued calm and where the service delivery has been maintained at improved levels.

## **8. EXCLUSION OF PUBLIC**

To consider passing a resolution in the following terms: That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded during the items in Part II of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that if members of the public were present during these items there would be disclosure to them of exempt information relating to:

## Finance and Resources Overview and Scrutiny Committee Work Programme 2014/15

Date:	Report Deadline	Items:	Type:	Contact details:	Background information	Outcome of Discussion
5 <sup>th</sup> November 2014	21 <sup>st</sup> October 2014	Q2 Risk Management Report 2014/2015	PM	L Dargue, Insurance & Risk Manager		
		Q2 Performance & Operational Risk Register Reports	PM	S Baker, Assistant Director – Chief Executive’s Unit (MO) R Smythe, Assistant Director – Project Governance – Residents & Regulatory Services (PH – N Harden) J Deane, Assistant Director, Finance & Resources (PH – N Tiley)		
		Q2 Forecast Financial Outturn Report 2014/15	PM	R Baker, Group Manager		
		Action Points from previous meetings	SC	All Members to discuss		
		Shared and Outsourced Update Report – Customer Service Centre and Gateway	SC	S Baker, Assistant Director – Chief Executives Unit (MO) (Residents & Regulatory Services – PH – N Harden)		
		Community Infrastructure	PD	H Overhead, Assistant Team Leader – Strategic Planning and		

		Levy		Regeneration  J Doe, Assistant Director Planning, Development & Regeneration  (PH – A Williams)		
<b>10<sup>th</sup> Dec 2014 (Joint OSC)</b>	<b>28<sup>th</sup> November 2014</b>	Budget 2015-16  <i>Ideally no further items to be added</i>		M Hone, Corporate Director Finance & Operation		
		Action Points from previous meetings	SC	All Members to discuss		
<b>6<sup>th</sup> Jan 2015</b>	<b>11<sup>th</sup> Dec 2014</b>	Action Points from previous meetings	SC	All Members to discuss		
		Shared and Outsourced Update Report – Customer Service Centre and Gateway	SC	S Baker, Assistant Director, Chief Executives Unit (Residents & Regulatory Services – PH – N Harden)		
<b>4<sup>th</sup> Feb 2015 (Joint OSC)</b>	<b>22<sup>nd</sup> Jan 2015</b>	Budget 2015 -16  <i>Ideally no further items to be added</i>	SC	M Hone, Corporate Director Finance & Operation		

<b>3<sup>rd</sup> March 2015</b>	<b>12<sup>th</sup> Feb 2015</b>	Action Points from previous meetings	SC	All Members to discuss		
		Shared and Outsourced Update Report – Customer Service Centre and Gateway	SC	S Baker, Assistant Director – Chief Executives Unit (Residents & Regulatory Services – PH – N Harden)		
		Procurement Strategy Update	PD	B Hosier, Group Manager, Commissioning, Procurement & Compliance		
		Q3 Performance & Operational Risk Register Reports	PM	S Baker, Assistant Director – Chief Executive's Unit R Smythe, Assistant Director – Project Governance – Residents & Regulatory Services – PH – N Harden) J Deane, Assistant Director, Finance & Resources – PH – N Tiley		
		Q3 Risk Management Report 2014/2015	PM	L Dargue, Insurance & Risk Manager		
		Q3 Forecast Financial Outturn Report 2014/15	PM	R Baker, Group Manager		