Lancashire County Council

Cabinet Committee on Performance Improvement

Thursday, 11th December, 2014 at 11.00 am in Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston

Agenda

Part I (Open to Press and Public)

No.   Item

1.   Apologies for Absence

2.   Disclosure of Pecuniary and Non-Pecuniary Interests

Members are asked to consider any Pecuniary and Non-Pecuniary Interests they may have to disclose to the meeting in relation to matters under consideration on the Agenda.

3.   Minutes of the Meeting held on 1 October 2014   (Pages 1 - 4)

4.   Implementation of the Procurement Service Implementation Plan   (Pages 5 - 18)

5.   Quarterly Corporate Performance Monitoring and Improvement - Quarter 2 2014/15 Report   (Pages 19 - 26)

6.   Health Assessment Recovery Plan - Children Looked After   (Pages 27 - 30)

7.   Ofsted Inspection of Lancashire Adult Learning

Report to follow.

8.   Urgent Business

An item of Urgent Business may only be considered under this heading where, by reason of special circumstances to be recorded in the minutes, the Chairman of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Members' intention to raise a matter under this heading.

9.   Date of Next Meeting

Lancashire
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The next meeting of the Cabinet Committee will take place on Wednesday 28 January 2015 at 2.00pm in the Duke of Lancaster Room – Cabinet Room 'C', County Hall, Preston.

10.   Notice of Intention to Conduct Business in Private   (Pages 31 - 32)

11.   Exclusion of the Press and Public

The Committee is asked to consider, whether, under Section 100A(4) of the Local Government Act, 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12 to the Local Government Act, 1972 as indicated against the heading to the items, and that in all circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Part II (Not Open to Press and Public)

12.   BT Lancashire Services Limited Service Governance   (Pages 33 - 44)
and Performance Monitoring Report

I Young
County Secretary and Solicitor

County Hall
Preston

Lancashire County Council

Cabinet Committee on Performance Improvement

Minutes of the Meeting held on Wednesday, 1st October, 2014 at 2.00 pm in The Diamond Jubilee Room - Cabinet Room 'B' County Hall, Preston

Present:

County Councillor Jennifer Mein (Chair)

County Councillors

B Winlow   J Hanson
M Tomlinson   D T Smith

1.   Apologies for Absence

Apologies for absence were received from County Councillor David Borrow and County Councillor Geoff Driver.

2.   Disclosure of Pecuniary and Non-Pecuniary Interests

None declared.

3.   Minutes of the Meeting held on 30 July 2014

Resolved: - That the minutes of the meeting held on 30 July 2014 be agreed as a true and accurate record and be signed by the Chair.

4.   Revised Terms of Reference

A report was presented setting out revised Terms of Reference for the Cabinet Committee which had been approved by the Leader of the County Council, on behalf of Cabinet, on 6 August 2014.

The Terms of Reference had been revised to take account of the Cabinet Committee's new responsibilities to monitor and scrutinise the performance and service delivery of BT Lancashire Services Limited and Red Rose Renewables Limited.

Resolved: - That the report, now presented, be noted.

5.   Quarterly Corporate Performance Monitoring and Improvement - Quarter 1 2014/15 Report

Michael Walder, Senior Policy and Performance Officer, Corporate Policy and Performance Team, gave an overview of corporate performance monitoring for quarter one of 2014/15, i.e. April - June 2014, which detailed that 81% of the total

number of Directorate Key Performance Indicators were performing well and on track/target and/or improving. The report also set out brief updates on a number of performance highlights which had not recently been considered by the Cabinet Committee but which were improving, or on target.

Bob Stott, Director for Universal and Early Support Services, Directorate for Children and Young People; Diane Booth, Head of Children's Social Care, Directorate for Children and Young People; and Debbie Ross, Associate Head of Safeguarding/Designated Nurse CLA, NHS East Lancashire Clinical Commissioning Group, attended and presented details of actions being undertaken to address under performance in relation to the proportion of Children Looked After with an up to date health assessment.

It was reported that there was a statutory requirement for all children coming in to care to have an initial health assessment, which was then followed by review assessments. The 2012/13 average for Lancashire was 85.1% but this had declined to 52.5% in June 2014.

It was reported that issues with the Lancashire Children's System, the new IT System, which had not provided the necessary alerts, together with incorrect recording and storage of data had combined to impact significantly on performance. A recovery plan had been implemented by Children's Social Care and Health which had resulted in an increase in performance to 61.1% at 18 September, with a further increase to 63.7% reported at the meeting.

It was reported that a number of further actions had been put in place as part of a wider strategic multi-agency performance recovery plan.

Resolved: - That:

(i)   The report, now presented, be noted;
(ii)   That a further report on the progress of the Health Assessments for Children Looked After Recovery Plan be considered at the next meeting of the Cabinet Committee on 11 December 2014.

6.   Corporate Human Resources - Health Check Report

Katie Dunne, Service Manager, Corporate Human Resources, attended and presented a report setting out details of performance across the County Council against key metrics in relation to workforce information for 2013/14 and the first quarter of 2014/15.

Reference was made to the following:

- On average, 1.96 days were lost due to sickness absence per employee against a target of 1.84 days.
- More employees were leaving the organisation than starting.
- The number of starters had reduced by 46.1% in quarter 1 of 2014/15 compared with 2013/14.
- The number of leavers had reduced by 10.3% in quarter 1 of 2014/15 compared with 2013/14.
- The number of recruitment adverts had increased by 61.3% in quarter 1 of 2014/15 compared with 2013/14.
- Recruitment advertising spend had decreased by £16,000.
- The Employment and Support Team was currently on target to deliver 1,100 new starts onto employment programmes for 2014/15.

It was reported that managers were required to monitor and manage absence within their areas and that robust procedures were in place to support the implantation of those procedures. Where areas of specific concern were identified, Human Resources could provide support and advice if necessary. It was considered that a number of factors related to the transformation process currently being undertaken by the County Council, had impacted on key metrics. These included the number of starters having reduced by 46.1% in quarter one compared to 2013/14, and the number of leavers reducing by 10.3% in the same period which could be seen as evidence of employees waiting for sight of the new structure before making a decision on whether or not to apply for voluntary redundancy. It was also reported that the increase in the number of recruitment adverts in the same period related to recruitment by Lancashire County Commercial Group in relation to school catering initiatives.

It was reported that mental health was consistently in the top three reasons for absence but could vary in terms of being first, second or third. It was recognised that there was potential to link levels of absence due to mental health reasons to the ongoing transformation process and reference was made to the programme which had been put in place for all employees to support them during the process. The Leader of the County Council also referred to the proposal, which would be considered by Cabinet on 9 October, to establish an Employee Welfare Team consisting of four members of staff.

Resolved: - That the report, now presented, be noted.

7.   Urgent Business

There was no urgent business to be considered.

8.   Date of Next Meeting

The Cabinet Committee noted that the next meeting would be held on Thursday 11 December 2014 at 11.00am at County Hall, Preston.

9. Notice of Intention to Conduct Business in private

Resolved: - That the Notice of Intention to Conduct Business in Private be noted.

10. Exclusion of the Press and Public

Resolved: - That under Section 100A(4) of the Local Government Act, 1972, the press and public should be excluded from the meeting during consideration of the following item of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A to the Local Government Act, 1972 and that in all circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

11. Quarterly Report on the Service Delivery and Performance of the County Council's Waste Disposal Company - October 2014

Steve Scott, Head of Waste Management, attended and presented a report setting out the quarterly report on the service delivery and performance of the County Council's waste disposal company.

Resolved: - That the report, now presented, be noted.

I Young
County Secretary and Solicitor

County Hall
Preston

Cabinet Committee on Performance Improvement
Meeting to be held on 11 December 2014

Electoral Division affected:
All

Implementation of the Procurement Service Implementation Plan
(Appendices 'A' and 'B' refer)

Contact for further information:
Lisa Kitto, (01772) 534757, Office of the Chief Executive,
lisa.kitto@lancashire.gov.uk

Executive Summary

As a result of changes to the County Council's Strategic Partnership earlier this year the Lancashire Procurement Centre of Excellence transferred back to the County Council. At that time it was recognised that the service was not achieving the objectives set by the County Council and new interim line management arrangements were established in order to drive forward change within the service.

The Deputy County Treasurer has undertaken this role since the service transferred and a number of key actions have been undertaken including the development and approval of a Procurement Strategy and the implementation of a service improvement plan. In October 2014, Cabinet approved the County Council's new procurement strategy and, at the same time, agreed that progress in implementing the service improvement plan be reported on a quarterly basis through the Cabinet Committee for Performance Improvement (CCPI). This report is the first of those quarterly progress reports.

Recommendation

The Cabinet Committee on Performance Improvement is asked to note the report and comment as appropriate.

Background and Advice

As a result of changes to the County Council's Strategic Partnership earlier this year the Lancashire Procurement Centre of Excellence transferred back to the County Council. At that time it was recognised that the service was not achieving the objectives set by the County Council and new interim line management arrangements were established in order to drive forward change within the service.

The Deputy County Treasurer has undertaken this role since the service transferred and a number of key actions have been undertaken including the development and approval of a Procurement Strategy and the implementation of a service

improvement plan. In October 2014, Cabinet approved the County Council's new procurement strategy and, at the same time, agreed that progress in implementing the service improvement plan be reported on a quarterly basis through the Cabinet Committee on Performance Improvement (CCPI). This report is the first of those quarterly progress reports.

Procurement Service

The Procurement Service is a large and diverse service that provides a range of services including tendering, procurement management information, supplier relationship management, sourcing of goods and the payment of invoices. All of these functions contribute in different ways to the County Council's ability to meet its objectives set out in the Procurement Strategy and therefore monitoring of each area is important. A service improvement plan encompassing each of these areas has been developed and progress against that plan is set out at Appendix 'A'. Within the improvement plan are a number of key areas for which further information is provided.

Service Improvement Plan

Overall, good progress is being made across most of the key strands and performance is considered to be on track in most areas. Progress around some of the targets around supplier engagement in new systems is not as advanced as anticipated and further work is required. The most notable achievements and also areas of slippage are set out below;

- **Procurement Strategy**

The County Council's Procurement Strategy encompasses all aspects of the County Council's procurement-related activity. The strategy builds on recognised best practice amongst local authorities and sets out the Council's aims and ambitions in relation to procurement particularly in relation to key areas such as social value, sustainability and the living wage. A robust consultation process was undertaken with key stakeholders and a number of changes were made to the draft strategy as a result of this. In particular stakeholders wanted greater clarity on how the Council intended to achieve its objectives and also how they were able to access tendering opportunities. These were addressed in the final approved strategy.

- **Procurement Board**

To be successful and to drive forward policies and working practices that will support the achievement of the broad objectives of the procurement strategy a Procurement Board has been established. The Board membership currently comprises director level representatives from all Directorates. The Board meets on a regular basis and has already started to shape and influence policies and approaches in working practices which will underpin and support the procurement strategy. As well as overseeing performance on specific activities, a number of key pieces of work are underway that are being overseen by the Procurement Board including;

    o An approach to Social Value

o Embedding effective contract monitoring
o Review of procurement standing orders
o Streamlining procurement practices
o An approach to category management

Membership of the Board will be reviewed shortly to ensure representatives from the new organisational structure are involved. This will happen early in 2015 as and when strategic posts are appointed to.

- **Maximising the benefits of electronic systems**

A significant amount of work is underway to 'onboard' suppliers so that they are registered and able to use the County Council's systems. The benefits of the systems for supplier is that they will be made aware of tendering opportunities, can submit invoices electronically and ultimately be paid more promptly. Progress in achieving this has been slower than anticipated and a full review of all systems is currently planned with key stakeholders, including BT Lancashire Services Limited (BTLS), to identify and overcome any issues. The review will cover all systems that are currently used within the service including the e-sourcing/tendering systems and the range of payment systems.

Monitoring Framework

To be effective it is proposed that in addition to the service improvement plan that a dashboard of key performance indicators be produced. The objective of the dashboard is to quickly establish and monitor the County Council's performance against the objectives set out in the procurement strategy. A dashboard showing performance to the end of October 2014 is attached at Appendix 'B'. It is anticipated that the dashboard will evolve to ensure that up to date issues are reflected and to take account of the availability of new information that we hope to have once we have streamlined and managed our data in a way that isn't currently available.

Key activity included in the dashboard includes;

- Payment performance
- Procurement performance
- Supporting Suppliers

Payment Performance

Payment performance is key as it underpins the County Council's commitment to pay suppliers promptly and additionally to support small and medium sized enterprises (SMEs) where cash flow is of utmost importance. Performance is split against 3 targets; payment within 10 days, payment within 30 days and payment beyond 30 days. The target is currently set at 100% achievement for all invoices to be paid within 30 days. There is however a commitment to pay SME's in 10 days although this has yet to be quantified as a target largely due to the fact that we are currently unable to identify which of our suppliers are classified as SMEs. Regardless of this, our performance in Quarters 1 and 2 falls below the target at 74% and 77% respectively.

Some of the performance issues relate to the implementation of the new Liquid Logic System and care portal that was introduced in June 2014. There have been delays in making payments to some care providers as quickly as we would like and this has affected overall payment performance. Mitigating actions and interventions have been put in place to support providers and to try to resolve some of the issues as quickly as possible. This has involved many different services including procurement, adult social care and BTLS. Although progress has been made, some issues remain and work is ongoing to resolve these.

Overall payment performance is improving and a set of actions are in place to improve the position as follows;

- Engage with suppliers and encourage use of the County Council's electronic systems. This will include the roll out of new systems.
- Further roll out and enforce the 'No Purchase Order/No Pay' policy. This will avoid delays when invoices are received for which there is no purchase order.
- Cleanse the supplier database, agree classifications, i.e. SME, VCFS, and apply to all suppliers. This will require clear definitions for each of the categories to be agreed.
- Review payment terms where appropriate.
- Provide more advice, training and support to all staff across all Directorates on the importance of processing invoices promptly.

Procurement Performance

Prior to the transfer of the service to the County Council there were many examples of contracts being extended as procurement processes weren't completed in a timely manner. Since then no contracts have been extended and all procurement activity has been carried out within agreed timescales. In the first two quarters of the year 48 contracts have been let with a value in excess of £46m. The County Council has been challenged on only one of these contracts and this was unsuccessful. Up to the end of October the number of contracts let is 66 with a value of £72m.

An analysis of the contracts let in the current financial year (up to an including October 2014) show that within these 66 contracts (some of which are framework agreements), 104 contractors within Lancashire have been engaged with contract value of £57m and a further 11 contractors within the North West have been engaged with a contract value of £14m. At this stage we have defined Lancashire and the North West as those companies that are either based here or who are known to be national but work from a local base. This does not necessarily mean that the work is carried out in Lancashire though currently we have no other way of measuring this. Over the coming months as our supplier databases are cleansed we hope to provide more accurate data on this measure. We are also unable to analyse between SMEs, VCFS etc. and again this should be possible in the future once the data cleanse and categorisation of our supplier database is complete.

Supporting Suppliers

Many suppliers contact the County Council through dedicated customer support lines. Previously calls weren't monitored effectively and the Customer Access

Service has been involved in reviewing our processes, implementing some changes, improving customer care and setting some targets that are comparable with their own service. Performance is improving with the October figures showing that the target set for the service has been exceeded.

Future Considerations

- *Payment performance*

Under new proposals within European Union Directives which are due to be enacted within UK legislation in the next one to two years, all public authorities will be subject to increasingly stringent requirements in terms of payments and procurement.

Lancashire County Council will be required to publish payment performance in detail and also calculate and apply the financial penalties inherent within the EU Late Payment Directive and 2013 Late Payment of Commercial Debts Regulations - regardless of whether we have paid these amounts or not. In order to be able to respond to these changes effectively it is important that performance is monitored and reported on a regular basis in order to ensure that we can comply with any new requirements as and when they emerge. To do this a number of relevant performance indicators have been included in the performance dashboard set out at Appendix 'B'. This information also helps inform the County Council on its performance against key objectives set out in the Procurement Strategy in relation to prompt payments and supporting SMEs.

- **EU Directive**

A new EU Directive on Procurement is expected early in 2015. There has been some indication nationally around what the new Directive will include however the final version is awaited. This may require and necessitate some changes to the way in which the County Council conducts its business and consequently the situation is being monitored closely by the Procurement and Legal Services. Further updates will be provided once the final version has been released.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Failure to act on the service improvement plan will mean that the County Council does not achieve its objectives in relation to procurement, may not comply with legislation around procurement and payment processes. This could lead to expensive legal challenges and additional costs as a result of late payments to suppliers.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Report to Cabinet - 'Approval of the County Council's Procurement Strategy'	9 October 2014	Dave Gorman, Office of the Chief Executive, (01772) 534261

Appendix 'A'
Procurement Service improvement Plan 2014 – 15

Action	Timescale	Progress	Status
1. Our Approach to Procurement			
1.1 Effective leadership is embedded within the service to take forward and improve service delivery and meet the needs of the County Council.	Ongoing	Short term arrangements are in place. A Head of Procurement has been established in the new County Council restructure and will take up post on1 April 2015. Designate will be known by the end of December 2014. A quality of service/dashboard report for the service has been developed and is produced quarterly. The focus of the report is on activity that supports the achievement of the aims and objectives of the procurement strategy. Enhancements to the report may be required following discussion with the cabinet Committee for Performance Improvement.	Green
1.2 Set out an approach to category management that maximises the use of financial and non-financial data and that ensures off contract spend is minimised.	March 2015	A draft paper has been developed for discussion at the Procurement Board. Further work is continuing and will include the development of a No PO/No Pay strategy as part of this approach to reduce off-contract spend. It is anticipated that this work will be completed by the end of 2014/15.	Green

Action	Timescale	Progress	Status
1.3 Develop Procurement Plans for every category of spend to reflect service priorities	December 2014	Service engagement plans are currently in draft format. The Procurement Board has provided some feedback and these are in the process of being incorporated in the documents. The Procurement Board has requested a service dashboard to give an overview of progress within the service. Areas of focus include; contracts at risk of being waived/extended, off-contract spend etc. This will be included in the final documents. Regular meetings with Directorates will be held to ensure these remain up to date and relevant and to ensure ongoing engagement and discussion on procurement activity at a senior level across the County Council.	Green
1.4 Regularly review management information on high and low value spend, off-contract spend (both where there is a contract and where there isn't a contract), and retro-ordering.	March 2015	Final requirements for management information have been submitted to BTLS to ensure this can be provided in a usable format.	Amber
1.5 Revise procurement rules and contract standing orders to ensure they reflect current legislation and support business need	March 2015	A working group has been established to review these. It is envisaged that these will need to be signed off at Full Council in February 2015. Draft procurement standing orders were considered by the Procurement Board in October 2014 and the view of the Board are to be incorporated in a final draft before this is considered by Management Team.	Green
1.6 Review standard tender documentation for suppliers to ensure they are proportionate to level of spend (including considering a revised approach to pre-qualification, and link with electronic systems).	March 2015	This work is ongoing.	Green

Action	Timescale	Progress	Status
1.7 Develop and implement a Contracts Register that is made publicly available.	December 2014	Testing is complete and anticipated 'Go-Live' is set for November 2014.	Green
1.8 Review approach to contract monitoring (including consideration of monitoring by organisation, not contract)	January 2015	This is a key piece of work that has been discussed with the Procurement Board. Further work has been requested and a further report is scheduled to be taken to the procurement Board in January 2015. This will help inform the County Council's resourcing requirements in relation to contract monitoring activity across the County Council for the new organisational structure.	Green
1.9 Develop and deliver new training programme to ensure all relevant staff are fully trained in procurement and governance requirements.	September 2014	Implemented. Training has been provided by Democratic Services and Legal Services. Slides have been made available on the website. The quality of reports has improved to members and Chief Officers has improved significantly. Ongoing training from the legal services team is also in place with the establishment of legal surgeries' in relation to procurement activity. Training has also been provided by procurement service staff to other Directorates that currently conduct their own procurement work.	Green
1.10 Develop an approach to maximise the benefits to the County Council of increasing supplier use of electronic systems.	March 2015	The number of suppliers engaging with the County Council's new systems is increasing however take up is lower than anticipated. Several working groups involving key stakeholders including BTLS have been established to review systems, and to try and streamline access and processes to encourage suppliers to use the new systems.	Amber
1.11 Develop a performance management framework to manage key risks and activities and ensure regular monthly reporting that is embedded within the County Council's performance management framework.	December 2014	A report for the Cabinet Committee for Performance Improvement has been prepared and will be reported on a quarterly basis. In addition the procurement Board will receive regular updates on performance for key activities. These will be reflected in a performance dashboard. Regular monitoring of the Service improvement Plan is also carried out by the procurement service Senior Management Team..	Green

Action	Timescale	Progress	Status
2. Sustainable Procurement			
2.1 Ensure internal processes proportionate to level of spend (including considering the Gateway Process)	March 2015	Initial discussions are underway and a draft proposal will be presented to a future Procurement Board meeting.	Green
3. Social Value			
3.1 Develop the County Council's approach to Social Value in Procurement	January 2015	This is currently underway. A task and finish group has been established and initial reports and suggested approaches have been discussed with the procurement Board. A final document is currently being drafted for approval and sign off by the board.	Green
4. Doing Business with the County Council			
4.1 Ensure customer access and support is appropriate and enables customers to communicate with the service in a way that is accessible and appropriate for business needs. • Telephone • Website • Communications to customers including schools, police, fire, district councils etc.	March 2015	Dedicated customer helpdesks have been established. 'How To' guides are being updated and refreshed to reflect new queries. Further work is however required to improve uptake and to streamline access to the systems. A post implementation review is to be carried out with key stakeholders and BTLS to review processes and identify areas for improvement/change.	Amber

Action	Timescale	Progress	Status
5. Electronic Procurement			
5.1 Implement the corporate e-tendering system, Oracle Sourcing, across all procurement categories.	March 2015	Work is progressing. 7 frameworks are complete and a further 14 are underway. Performance is monitored on a regular basis.	Green
5.3 Develop a range of payment methods that reflect the needs of the business and customers and that maximise the use of current technology.	March 2015	Work is underway. A range of payment methods already exist and a consultation exercise is currently underway across the County Council to identify any gaps and to establish suitable options.	Green
6. Performance Management			
6.1 Culture change, consistent and effective working practices and models are embedded.	March 2015	Working practices are being reviewed particularly for the new systems. Additional technical, systems and also management training has been implemented as have the principles of the Lancashire Way. Documentation has been reviewed for procurement processes to try and standardise as much as possible. Workforce development activity has been undertaken including; • Management training • Cross training between teams to address resilience issues and overcome knowledge gaps • Application of LCC policies in a standardised way across the whole of the service, i.e. sickness. • Vacancies have been filled, where required, to meet demand.	Green

Action	Timescale	Progress	Status
6.2 Establish a Procurement Board with agreed Terms of Reference that supports the delivery of the County Council's Procurement Strategy.	May 2014	Procurement Board has been established and has met on a monthly basis. Membership of the Board will need to be reviewed in light of the County Council's restructure.	Green
7. Our Suppliers			
7.1 Ensure supplier access and support is appropriate and enables suppliers to communicate with the service in a way that is accessible and appropriate for business needs. • Telephone • Website		Proposals are being developed to develop a skilled and enthusiastic support desk that know the systems and processes and have excellent customer service skills.	Green

Procurement Function Performance Dashboard

November 2014

Lancashire County Council

Duplicate Payments

The Procurement Service takes measures to ensure that potential duplicate payments that the county council might make to suppliers are identified and prevented. This information shows the number and value of such payments that have been identified and prevented.

Duplicates Prevented	Q1	Q2	Oct '14
No. of Payments	53	67	29
Value of Payments	£641,355	£902,071	£40,149

Care Portal

The Care Portal was introduced from July 2014 to allow care providers to submit their invoices to the County Council electronically. Figures show % of providers registered to use the portal and % of providers currently using the portal to submit invoices.
Providers were able to register to use the portal during Q1, before it went live, and 5.3% of providers did so. Work has continued since then to encourage providers to register for and use the portal.

	Q1	Q2	Target	Trend
Registered to use Portal	5.3%	54.7%	100%	Positive
Submitting invoices via the portal	N/A	45.92%	100%	N/A

Invoice Payment Performance

This information shows how quickly the County Council pays undisputed invoices that it receives.
Performance is monitored using % of invoices paid within certain timescales. Time measurement is based from date of invoice to date of payment.

Invoices Paid...	Q1	Q2	Oct '14	Target
...within 10 days	21.53%	33.85%	41.17%	No Target
...within 30 days	74.16%	77.59%	79.99%	100%
...after 90 days	1.74%	3.69%	5.1%	0%

Contracts and Challenges Overview

Performance monitored through comparing figures of contracts let to targets assigned by the Procurement Plan.

	Q1	Q2	Trend
Value of contracts let	£10.85m	£35.586m	Positive
No. contracts let	18	30	Positive
Contracts let on time	100%	100%	Positive

In the period of April to October, the Procurement Service has let out 66 contracts. One legal challenge to procurement processes has been received, but an initial ruling has favoured LCC. There have been no successful challenges in Quarter's 1 and 2.

Invoice Processing

The County Council has the facility to make immediate payments to suppliers for urgent payments. However, making such payments requires extra resource. This information shows the number of payment requests requiring immediate invoices. The lower the number the better.

	Q1	Q2	Trend
Payment requests requiring immediate invoices.	4,561	2,846	Positive

Geographic Locations of Contractors

This information shows where suppliers who have been awarded contracts by the County Council so far this year have their base.

Contractor Location	Contract/Framework Arrangement Awarded	Contractors	Annual Value
Lancashire	31	104	£56.9m
North West	11	35	£13.9m
Other	24	28	£11m

Call Handling Times

Performance monitored through tracking average call waiting and handling times, in minutes, for calls to the County Council's accounts payable support line

Accounts Payable Activity	October '14	Year to Date
Average Call Wait	00:41	01:24
Average Call Handling	04:19	03:29

Call Answer Times

Performance monitored through tracking volume of incoming calls to the County Council's accounts payable support line, and how many are answered

Accounts Payable Activity	October '14	Year to Date	Target
% Calls Answered	92.6%	84.4%	90%
Volume Calls Offered	3606	22380	
Volume Calls Answered	3339	18882	

Key: Blue – For Information. Green - On Target. Amber – Issues that may Affect Target. Red – Missed Target.

Cabinet Committee on Performance Improvement
Meeting to be held on 11 December 2014

| Electoral Division affected: |
| All |

Quarterly Corporate Performance Monitoring and Improvement –
Quarter 2 2014/15 Report
(Appendix 'A' refers)

Contact for further information:
Michael Walder, (01772) 533637, Corporate Policy and Performance Team,
michael.walder@lancashire.gov.uk

Executive Summary

Corporate Performance Monitoring for quarter 2 2014/15 (July - September 2014) details that 68% of the total number of Directorate Key Performance Indicators, reported across each of their quarter 2 Quality of Service Reports, are performing relatively well and are on track/target and/or improving.

Monitoring reveals 5 areas of work/performance should be highlighted to the Cabinet Committee, for further information, explanation and (in some cases) future examination. These performance areas are:

- Blue Badge application complaints have increased from 0.11% to 0.39% (target 0.25%) from quarter 1 to quarter 2. Recovery Plan set out at Appendix 'A'.

- The proportion of Children Looked After (CLA) with an up-to-date Health Assessment (following a request at the last meeting of the Cabinet Committee, a further report containing information regarding current performance and actions being taken to address the issues identified in this area is provided at item 6 of this agenda).

- CLA educational attainment and school attendance. A progress report is scheduled to be presented to the next Cabinet Committee meeting once the provisional results are validated.

- Deprivation of liberty (DoLs) applications. The criteria changed significantly in March 2014 following the Supreme Court ruling in respect of Cheshire West and Surrey Councils. As a consequence the number of LCC DoLs applications per month has risen from an average of 23 in 2013/14 to 213 in 2014/15.

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- Customer Access. The quarter 2 average call waiting times for social care telephone enquiries is significantly longer than in quarter 1.

The above 3 performance areas are scheduled to be reviewed and scrutinised at future meetings of the Cabinet Committee on Performance Improvement.

Recommendation

The Cabinet Committee on Performance Improvement is asked to:

(i) Comment on the reported performance for quarter 2; and
(ii) Review, comment and advise on the information and actions set out at Appendix 'A'.

Background and Advice

Corporate performance has previously been reported against a suite of measures which best represent and monitor the County Council's delivery of the objectives and priorities in our Corporate Strategy – known as the corporate scorecard.

The previous corporate strategy had a timescale up to April 2013 and, although a new 'Strategic Direction' document was approved by Cabinet on 5 September 2013, additional details in relation to specific performance measures have yet to be detailed and are currently being developed.

However, in continuing to undertake regular corporate monitoring of performance across the authority as a whole, and produce quarterly reports and analysis of corporate performance, other arrangements have been implemented.

Each Directorate now produces a quarterly Quality of Service report, which gives an overview of performance against agreed headings and parameters. In addition to monitoring and providing progress updates against budgets, projects and other future developments, each Directorate's Quality of Service report gives details of performance against their Key Performance Indicators for that quarter.

This amalgamated suite of indicators for quarter 2 has been used to provide a corporate overview of performance report.

Monitoring across these quarter 2 indicators reveals 68% are performing relatively well, and are on track/meeting targets and/or improving.

Five areas of work/performance are highlighted to the Cabinet Committee for further/future information, explanation and examination. These are:

- Blue Badge application complaints have increased from 0.11% to 0.39% (target 0.25%). Improvements made in how complaints are handled should reduce the number of complaints in the coming months. Processing times have also increased from 1 week to 3 weeks from quarter 1 to quarter 2. Recovery Plan set out at Appendix 'A'.

- The proportion of CLA with an up-to-date Health Assessment. This has increased to 65.5% when compared with the previous quarter end (quarter 1 - 52.5%). However, the current quarter end figure was still way below the 2012/13 average for Lancashire (85.1%) and this is still a cause for concern as until now the figures for this indicator had been reducing every month since December 2013 (further information regarding current performance and actions being taken to address the issues identified in this area is provided at item 6 of this agenda).

- CLA educational attainment and school attendance. A progress report is scheduled to be presented to the next meeting of the Cabinet Committee once the provisional results are validated.

- Deprivation of Liberty (DoLs) applications. The criteria changed significantly in March 2014 following the Supreme Court ruling in respect of Cheshire West and Surrey Councils. As a consequence the number of DoLs applications per month has risen from an average of 23 in 2013/14 to 213 in 2014/15. The total from Apr-Sep 2014 was 1275, of which approximately 954 were as yet unallocated cases.

Reports are scheduled to form part of the agenda for the next meeting of the Cabinet Committee on 28 January 2015 to update the Committee on CLA educational attainment and school attendance and to seek assurances regarding improvements in both DoLs application processes and performance.

- Customer Access. The average call waiting times for social care telephone enquiries is significantly longer than in quarter 1 (128 seconds for social care compared with 90 seconds last quarter). This is due to the number of vacant posts in both the Contact Centre and Customer Access Social Care. It takes approximately 12 weeks to fill a vacancy; after this, new starters are in training for 5 weeks. Work is being undertaken to address this in quarter 3 including additional recruitment activity and the introduction of an Out of Hours Service (from 17 November).

A report is scheduled for a future meeting of the Cabinet Committee when the impact of the new Out of Hours working and additional recruitment will have time to be seen (Out of Hour working already having an improvement on call answering performance - albeit only 1 week in to starting).

Consultations

Members of Management Team(s) have previously received the information in this report.

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified in relation to the proposals contained within this report.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Report to the Cabinet Committee on Performance Improvement - 'Quarterly Corporate Performance - Quarter 1 2014/15 Report	1 October 2014	Michael Walder, Corporate Policy & Performance Team, (01772) 533637
Report to the Cabinet Committee on Performance Improvement - 'Quarterly Corporate Performance - Quarter 4 2013/14 Report	9 June 2014	Michael Walder, Corporate Policy & Performance Team, (01772) 533637.
Report to the Cabinet Committee on Performance Improvement - 'Quarterly Corporate Performance - Quarter 3 2013/14 Report	4 March 2014	Michael Walder, Corporate Policy & Performance Team, (01772) 533637
Report to the Cabinet Committee on Performance Improvement - 'Quarterly Corporate Performance - Quarter 2 2013/14 Report	28 November 2013	Michael Walder, Corporate Policy & Performance Team, (01772) 533637

Appendix 'A'

DARMS - Blue Badge Administration Team
Performance Indicator Recovery Plan

Performance Indicator Description:
Why is this indicator under-performing?

Background
Blue Badges are applied for via an online system which was introduced nationally in 2012 to prevent fraud and misuse. The criteria for receiving a badge is set by the Department for Transport (DfT) and was also updated in 2012 with an added focus on mobility and replacing Doctors letters being used as evidence. The increased focus on mobility issues rather than broader disabilities has meant that people who may have previously been eligible for a badge may now, under the new guidelines no longer be eligible.

Main duties relating to the Blue Badge Scheme at present:

Enquiries (Customer Access Team)
- Answering queries regarding Blue Badges

Applications (Customer Access Team)
- Online applications by applicants using national online system
- Applications supported by the Customer Access Team either by phone or by Telly Talk

Administration (Documents and Record Management Service)
- Making decisions based on the evidence supplied with the application
- Dealing with the appeals process

Fulfilment – Northgate (nationally appointed company)
- Printing of badges and maintenance of online system

Complaints
All complaints are responded to by the Blue Badge Administration team, even if they are not the origin of the complaint. Complaints are generally on a range of issues including the DfT guidance and how it's been applied to an application, technical issues with the online system, Telly Talk facilities being out of action or experiencing long waiting times for the facilities, delays in processing applications, disagreement with the outcome of an application decision or the absence of face to face support.

The move towards a predominately online service has potentially been the biggest shift experienced by the Blue Badge Scheme. Early in 2014 Customer Access began sign-posting applicants to the online system wherever possible. Previously operators would complete the applications with the individual over the phone. However, due to the nature of the application, these calls were often lengthy and time consuming. Customer Access now ask the service user to apply online but do offer a call back in 8 days to see if they still require help. If a caller has difficulty reading and writing, the operator will complete their application over the phone with them at the time of their call. Paper forms are also available in instances where applicants are perhaps elderly and unable to access the internet or support to help with the application process, or

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where the applicant is visually impaired or deaf.

Complaints increased from 0.11% in Q1 to 0.39% in Q2. To give this some context this equates to 8 complaints received out of 7,053 applications processed in Q1 and 29 complaints received out of 7,304 processed in Q2. Below is a summary of the reasons for these complaints. *Please note, one complaint may contain multiple reasons therefore they will not add up to 8 and 29.*

Reason	Q1	Q2	TOTAL
Telly Talk	8	6	**14**
Online Technical	4	2	**6**
Online Processing	6	7	**13**
No Reminder	1	7	**8**
No Internet	2	1	**3**
Misinformed CSC	3	3	**6**
Misinformed BB	1	1	**2**
Operator Attitude CSC	1	0	**1**
Operator Attitude BB	0	1	**1**
Eligibility	0	4	**4**
Other	4	8	**12**

What actions are required to put it back on track?

Action Taken to Date
The above section outlines the reasons for underperformance. However, the Head of Service and Business Manager for DARMS accept that not all of the reasons for underperformance are out of their control. It was identified soon after the Blue Badge team's transfer from OCL back into LCC that the service required an over-haul. There was a lack of management information available to assess and monitor performance. Anecdotally there seemed to be an increasing dissatisfaction with the service, but it was difficult to tell where the problem lay. Extensive work was carried out in June 2014 to pull together retrospective and day-forward key management information on application numbers, complaints, appeals and their reasons. Quality spot checks were also introduced. The availability of this data from June 2014 onward has allowed us to accurately monitor the service and has also identified that whilst there are indeed complaints, a large proportion of the reasons can be attributed to factors outside of Blue Badge Administration control.

In September 2014 a full review of the DfT Guidance was undertaken. DARMS management led this review to ensure that guidelines were being interpreted and applied consistently by the Blue Badge team. Inconsistencies and grey-areas were addressed and clear operating frameworks were agreed with the Blue Badge Manager and Team Leader.
Some of the outputs of this review include:
- A clearly documented and advertised process for complaints and appeals
- A defined escalation process for the handling of complaints, VIP complaints and appeals within DARMS identifying clear hand-off points
- A flyer for service users highlighting key information about the Blue Badge application process which will be distributed at locations such a GP surgeries

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etc.

- Clearly documented team processes
- Checklists and prompts to elicit the right information first time
- Knowledge sharing and training to empower staff to use their judgement
- A review of Blue Badge letters to ensure they are fit for purpose and customer focussed
- An approach that acknowledges the individual applicants unique requirements rather than 'one size fits all'
- A move away from solely process driven service delivery in favour of a more personalised, empathetic approach to assessing applications

A report was also commissioned by the Assistant Chief Executive to understand the issues contributing to the feeling of discontent with the Blue Badge Scheme which had been reported at a higher level. The Business Improvement team undertook a review and looked at all aspects of the service, including Telly Talk, Blue Badge Administration and Customer Access. This report recommended the move of Blue Badge Administration into Customer Access to allow for a more joined-up approach to service provision. This report is currently being considered by Management Team.

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Cabinet Committee on Performance Improvement
Meeting to be held on 11th December 2014

Electoral Division affected:
All

Health Assessments Recovery Plan – Children Looked After

Contact for further information:
Diane Booth, (01282) 470129 Directorate for Children and Young People
diane.booth@lancashire.gov.uk

Executive Summary

This report provides an update on the Recovery Plan around Health Assessments completed for Children Looked After (CLA).

Recommendation

The Cabinet Committee is asked to:

(i)   note the report and comment as appropriate
(ii)   note that a further update report will be presented to the Cabinet Committee on progress around this measure.

Background and Advice

This report provides an update on Lancashire performance against the Department for Education indicator for children looked after (CLA) with an up to date health assessment. This is one of the key performance indicators that the Local Authority is measured against. There is a statutory requirement for each child coming into care having an Initial Health assessment and review assessment thereafter. The performance is determined by each child accessing both a health assessment and dental check.

As reported at the Cabinet Committees meeting on 1 October, a full recovery plan has been implemented to address this poor area of performance.

The 2012/13 average for Lancashire was 85.1% and it is of concern that the figure for this indicator had declined to 52.5% in June 2014. This figure is a county average.

Audits of the health assessment status for Lancashire children looked after are subject to an ongoing recovery plan. It has been identified that Lancashire's new IT system, Lancashire's children's system (LCS) had not provided the necessary alerts required for notification of the review health assessments. In addition, large amounts of data had been recorded and stored incorrectly. Other processes across health and children's social care have been identified in this period that have continued to impact upon improvement.

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The previous report identified limited confidence in our IT system to support the recovery plan. However, we have overcome these barriers and are now confident that our data is correct. This recent improvement allows us to pin point recovery down to team level and put corrective measures in place to improve performance.

Current in year Health Assessment perfomance is 68.6% (achieved on 09/11/2014.)

Whilst recovery measures have been identified and put into place, we have from the data available to us determined that to remedy the decline in CLA health assessment performance, recovery will not be immediate. It will take time to recover due to the backlog of medicals that are currently outstanding, which were not requested in time from our health colleagues.

Over time, those CLA who currently have an overdue health assessment will participate in such and in combination with the new procedures and monitoring introduced, strong performance should ensue for all new CLA requiring initial health assessments and those existing CLA requiring a review.

This next period will focus upon health capacity to catch up with the backlog of reviews outstanding in the context of resources available, whilst maintaining timeliness of initial health assessments.

There continues to be an increase in the numbers of children becoming looked after, which has meant a greater number of health assessments need to be undertaken within the same resource envelope.

Children's Social Care and Health Service continue to progress a joint recovery plan that is monitored on a monthly basis by senior members of both agencies under the scrutiny of the Lancashire Safeguarding Children Board.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Health Assessments are a key performance indicator that Ofsted will use in its assessment of the Local Authority. Failure to address the decline in the reported number of Health Assessments on the LCS system is an Ofsted inspection risk.

The report outlines the Recovery Actions that are being taken to address this.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Report to the Cabinet Committee on Performance Improvement	1 October 2014	Dave Gorman, Office of the Chief Executive, (01772) 534261

Reason for inclusion in Part II, if appropriate

N/A

THE LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS) (MEETINGS AND ACCESS TO INFORMATION) (ENGLAND) (REGULATIONS) 2012

NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE

Notice is hereby given in accordance with Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that the following meeting is likely to move into private session to consider the item detailed below:

MEETING: Cabinet Committee on Performance Improvement

DATE OF MEETING: 11 December 2014

TITLE OF DECISION TO BE TAKEN: BT Lancashire Services Limited Governance and Performance Monitoring

The details of the proposed decision are as follows:

The Cabinet Committee on Performance Improvement will consider a report from the Chief Executive.

Further information on the proposed decision can be obtained from:
Gabby Nelson, Tel: 01772 536087, Email: gabby.nelson@lancashire.gov.uk

The reason that the item is likely to be considered in private is that it will involve the disclosure of exempt information under the following category of Schedule 12A of the Local Government Act 1972:

Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

(A final decision on whether this item will be determined in private will be taken during the meeting).

Should you wish to make any representations in relation to the meeting being held in private for the consideration of the above item, please contact:

Dave Gorman, Tel: 01772 534261, Email: dave.gorman@lancashire.gov.uk

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County
Council

No Representations have been received.

Lancashire County Council

Cabinet Committee on Performance Improvement
Meeting to be held on 11 December 2014

| Electoral Division affected: |
| All |

BT Lancashire Services Limited Service Governance and Performance Monitoring Report
(Appendix 'A' refers)

(Not for Publication - Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Contact for further information:
Gabby Nelson, (01772) 530867 Office of the Chief Executive,
gabby.nelson@lancashire.gov.uk

Executive Summary

This is the first update on the revised BT Lancashire Services Limited (BTLS) Service Governance and Performance Monitoring arrangements since the changes to the County Council's strategic partnership with BT which came into effect on 1 April 2014. The services that remained with the strategic partnership are ICT and Payroll and Recruitment. The report covers the first two quarters of operation of the new arrangements.

Further information providing a more comprehensive measurement of service delivery is set out at Appendix 'A'.

Recommendation

The Cabinet Committee on Performance Improvement is asked to note the contents of this report and comments as appropriate.

Background and Advice

1. **Key Performance Measures**

   Appendix 'A' holds the detailed performance indicators for both services. The summary of performance and key activity in each quarter can be summarised as follows:

   ICT Services

   The scope of the ICT Service is set out within Schedule 19 of the amended Service Provision Agreement between the County Council and BTLS dated 16

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April 2014 ("the Service Provision Agreement"). The Service is currently delivered through:

- Provision of a Customer Service Desk function.
- Desktop, Network and Infrastructure Support.
- Support of key applications.
- Delivery of ICT projects and Service Improvement Plans.

Quarter One

All contractual performance targets were met during June 2014, with two of the five priority categories achieving **100%** and two of the remaining three categories exceeding the contractual value. As a consequence, performance for Quarter One 2014/15 remains strong across the board with all priorities meeting or exceeding their contractual targets.

The following is a summary of key activity completed during Quarter One 2014/15:

- The Local Government Pension Scheme 2014 Oracle solution was successfully delivered at the end of March 2014 with the first full Lancashire payroll run and payday process taking place in April 2014.

- In early April 2014, the SUN finance system went live for Lancashire County Developments Limited (LCDL).

- During May 2014 ICT Services undertook significant work to prepare the infrastructure and to deliver and install ICT hardware to facilitate the return of the first tranche of staff into the newly refurbished Christ Church Precinct.

- The Agility Laptop for Corporate Broadband project concluded with almost 400 laptops built and delivered to customers.

- In May 2014 Lancashire became the first authority in the country to complete the testing phase of the Child Protection-Information Sharing (CP-IS) project.

- ICT Services replaced the Government Connect Secure Extranet (GCSx) with the new Public Services Network, meeting Government Code of Connection requirements to ensure continuity of the business and to meet the required timescale to avoid financial penalties.

Quarter Two

Quarter Two saw ICT Services continue the strong performance demonstrated in Quarter One across all Priorities, with Priorities Four and Five improving on the previous period.

The following is a summary of key activity completed during Quarter Two 2014/15:

- Lancashire County Council's Code of Connection to the public Services Network (PSN) accredited status was confirmed for a further twelve months.

- Internet Protocol TV (IPTV) was installed in three key locations in the Christ Church Precinct, allowing the streaming of live television across an internet connection.

- ICT Services commenced engagement with fifteen schools to install an ICT infrastructure in a range of school buildings including refurbished classrooms and new builds.

- ICT Services facilitated the move of the final staff groups to the newly refurbished Christ Church Precinct. This major project has enabled teams to work in one large, open, modern office instead of separate offices, so supporting more efficient working practises. Teams are now using new PC's with new operating system (Windows 7) and Microsoft Office 2013, and have the new Lync telephony system (the first building in the Council to take advantage of this new technology). The project met all delivery timescales and received positive feedback from the staff who have moved in.

- ICT Services implemented a solution for the Lancashire Archive Service. Amalgamating data from two systems into one. This has enabled the service to use just one system to incorporate two business functions, making it easier and quicker to catalogue and find archive documents, thus facilitating efficiency savings and allowing one of the two systems to be decommissioned.

Payroll and Recruitment Services

The scope of Payroll and Recruitment Services is set out within Schedules 24 and 25 of the Service Provision Agreement. The Service is currently delivered through:

- Payroll Services: Various teams undertaking payroll and pensions' processing work and handling the transactional enquiries that cannot be dealt with at 'first point of contact'.

- Resourcing: Undertaking job analysis and design and providing 'end to end' recruitment support services. Assessment centre activities are also supported.

Quarter One

All contractual and non-contractual performance targets were met within the quarter.

The following is a summary of key activity completed during Quarter One 2014/15:

- Successful launch of a single vacancy site combining both Lancashire County Council's and BT Lancashire Services' vacancies.

- Multiple projects were successfully undertaken in relation to Oracle updates for various groups of employees.

- Within Payroll Services, payroll for Burnley Leisure was placed into production with all employees set up for payment and the first run was handled successfully.

- Major activity during May within the Recruitment Team centred around the eRecruitment system, Lumesse with various enhancements being implemented.

- Year-end statutory obligations were met.

- Renewal of ISO9001:2008 Quality Management Certification.

- BT Lancashire Services became registered as a responsible body for invoicing purposes in order to carry out Disclosure Scotland (DS) Basic Level Checks.

- Development work completed by ICT Services on a number of auto generated change and appointment letters.

Quarter Two

Again all contractual and non-contractual targets were met within the quarter.

The following is a summary of key activity completed during Quarter Two 2014/15:

- The main focus within Recruitment Services centred on the Council's Transformation Programme. Meetings were held throughout July between representatives from BT Lancashire Services and Lancashire County Council's Corporate Human Resources Team in order to discuss the potential utilisation, and demonstrate the functionality, of the eRecruitment system, Lumesse. A proposal was subsequently submitted and approved and development work commenced around their requirements. After successful testing, the configuration was signed off and migrated to the 'live' environment in time for the start of the Transformation Programme.

- Also within Recruitment Services, much work was carried out to improve the letters that are auto-generated via Oracle. This included the addition of new fields within the letter to import more data resulting in less manual intervention to amend the letter content

- The percentage of Disclosure and Barring Service (DBS) forms returned with errors to Recruitment Services from the DBS stood at

0.5%, the lowest this year and well within the 3% target. The 'official DBS reject rate' which includes errors that are corrected by the DBS was reported in June as being 1.1% which is the lowest since September 2012.

- Exploratory work got underway to identify benefits of using the Documentum system for payroll data and a scoping document has been commissioned. Colleagues from Records Management and Payroll Services met to assist with the scoping exercise and clarification meetings were held.

2. Review of Key Performance Indicators (KPI's)

As part of the contract renegotiations it was agreed to carry out a full review of the Service Levels with a view to more accurately reflecting the scope of the Service provided by the Partner. Work has commenced in this area. To date it has been agreed to introduce a non-contractual performance measure for ICT Services relating to milestone delivery for key projects. The first projects which will be subject to such monitoring will be the Oracle project that will be making all the changes to reflect the new look organisation between now and 2016. In addition if the asset management programme is approved this will also be monitored with regard to major milestones. With regard to Payroll and Recruitment service levels a more detailed review is to be undertaken and this has started initially looking at existing KPI's and agreeing the definition and how the KPI is calculated.

3. Revised Contract Monitoring Arrangements

Again as part of the contract renegotiations it was agreed that more robust management of both performance and the affordability budget was required. As a consequence more formal monitoring arrangements have been agreed in the form of monthly, quarterly and annual review.

Monthly review meetings will be held following receipt of the monthly Quality of Service report (QoS). These meetings to have agreed agendas and minutes taken, these have been diaried for the year and the first of these meetings held. All areas of the contract to be covered i.e. ICT and Payroll Transactional but importantly also include Lancashire County Council Finance and the monthly invoicing.

Quarterly Service Management Review meetings to be held as per schedule 6 of the contract to review the QoS Reports and the Council QoS Reports in respect of the previous Quarter. BTLS will chair the Review and produce accurate minutes. An agenda will be agreed that should cover as a minimum:

- progress on actions from the last Review
- a review of key issues arising from the QoS reports
- a review of BTLS's performance of the Services against the Service Levels and the Council's performance of the Returning Services against the Returning Services Service Levels

The minutes of each Review shall be distributed by BTLS to all attendees at the earliest opportunity after the Review. The first of these meetings will be held on 11 December.

BTLS will carry out an Annual Review at the end of each Financial Year in accordance with the requirements of Annex 1 to Schedule 6 generally reporting on the performance, quality and key achievements through the year but also looking at priorities and actions going forward including any business improvement plans.

4. Update on Core Systems

Liquidlogic has been implemented within both Adult's (LAS) and Children's (LCS) services. These projects have been a significant undertaking and have introduced significant changes to processes both for the frontline service but also throughout Finance and Procurement. The systems have been generally well received within the frontline services but have been less successful within the back office services where the newly designed processes have not been as effective as anticipated. A post implementation review is being undertaken with BTLS assistance to establish what the processes should be looking like and making best use of the core system modules.

In order to respond to the requirements of transforming the county council into a new-look organisation major changes will need to be made to the Oracle E-Business Suite to reflect these changes. The work will be phased between now and April 2016 coinciding with the phases of the restructure. This project will require considerable input from project staff in both organisations and the milestones will be monitored closely.

The Environment Core Systems Transformation project is nearing completion of its pre-programme phase and a decision is expected in early December on whether it will proceed. Again this is a significant undertaking with challenging timelines alongside the restructure and related activities such as the Oracle hierarchy work above and as for that project will be monitored via its key milestone delivery.

5. BTLS Staffing Update

BTLS staff fully participated in LCC's recent Investor in People (IIP) reaccreditation. Senior Management from both LCC and BTLS were delighted to maintain the standard and especially receive positive feedback from the Assessors that secondees are "much more positive" about the working environment, leadership and opportunities for development in BTLS.

Staff engagement and communication is high on BTLS management's agenda, with a specific aim to achieve a 10% increase in employee satisfaction and engagement by 31 March 2015. This is based and measured against the feedback received in a voluntary staff survey completed in July 2014 (to be repeated in December 2014 and March 2015) which resulted in

an action plan that outlines how this improvement would be achieved. The key initiatives underpinning this commitment are:

- 'Staff Briefing Sessions' (with an invite extended to LCC's Client Manager) are held in each service area twice a year attended by the BTLS COO and respective Service director;
- Managers participate in a monthly information cascade 'Team Brief' from the BTLS leadership team;
- Staff updates are cascaded via monthly 'Newswires', and scheduled team meetings and 1:1's are now in place;
- Quarterly Round Table events giving staff opportunity (voluntarily) to speak directly with the BTLS COO.

In addition, a new reward and recognition framework is to be launched focussing on both individual and team performance, whilst BT's HR and LCC's L&D Team are working together to deliver a BTLS leadership 'Pioneer' programme. This programme is built on proven tools and techniques from BT's own leadership and culture development programme combined with LCC's 'Lancashire Way' principles, the aim being to enhance the quality of line management, establish sustainable management culture and prepare us better for the future.

Consultations

BTLS have been consulted on this report and its content.

Implications:

This item has the following implications, as indicated:

Risk management

This report is for noting and therefore a risk analysis in relation to the content on this report has not been required.

List of Background Papers

Paper	Date	Contact/Directorate/Tel

N/A

Reason for inclusion in Part II, if appropriate

Exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972. The report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

BTLS - LCC ICT Services

Performance

The Service Level Agreement (SLA) comprises of **five** performance indicators covering the **ICT Service**. Of these, all **five** are contractual indicators.

Contractual Targets:

No.	Detailed Definition of SLA	Target (%)	Performance Quarter One 2014/2015 (%)	Performance Quarter Two 2014/2015 (%)	Performance YTD as at Quarter Two 2014/2015
1	**Priority 1:** Severe Business Disruption: Business Unit (sub-unit): - unable to operate - Service component failed or severely impaired.	**99**	100	100	100
2	**Priority 2:** Major Business Disruption: Critical user or user group: - unable to operate - business unit experiencing significant reduction in service performance.	**98**	100	100	100
3	**Priority 3:** Minor Business Disruption: Single user or user group unable to work with no available workaround.	**97**	98	98	98
4	**Priority 4:** Minor Disruption: Single user or user group experiencing problems but with ICT defined available workaround.	**98**	98	99	98
5	**Priority 5:** Advice and Guidance (offered to users via Service Desk).	**98**	99	100	99

BTLS - LCC Payroll & Recruitment Services

Performance

The Service Level Agreement (SLA) comprises of **three** performance indicators covering payroll and recruitment elements. Of these, **two** are contractual indicators and **one** is a non-contractual indicator.

Contractual Targets:

No.	Definition of SLA	Target (%)	Performance Quarter One 2014/2015 (%)	Performance Quarter Two 2014/2015 (%)	Performance YTD as at Quarter Two 2014/2015 (%)
1	% payroll errors attributable to the Partnership.	<0.4	0.1	0.2	0.2
2	% of changes to employees' grade and remuneration, including payment of associated arrears, implemented no later than the month following the month in which the change was authorised.	99	100	100	100

Non-Contractual Targets:

No.	Definition of SLA	Target (%)	Performance Quarter One 2014/2015 (%)	Performance Quarter Two 2014/2015 (%)	Performance YTD as at Quarter Two 2014/2015 (%)
1	% DBS checks processed within two working days of receipt of all necessary information.	75	83.2	90	90

Payroll & Recruitment Services Dashboard

Activity	Target	Performance Quarter One 2014/2015 (%)	Performance Quarter Two 2014/2015 (%)	Performance YTD as at Quarter Two 2014/2015
% of changes to employees' grade and remuneration, including payment of associated arrears, implemented no later than the month following the month in which the change was authorised	**99%**	100%	100%	100%
Volume of overpayments	**n/a**	31	243	274
% of DBS forms returned to Recruitment Services from Liverpool DBS with errors	**Not greater than 3%**	1.3%	1%	1.1%
Employment offer documentation (conditional) issued within 48 hours, following receipt of the necessary approvals to recruit	**100%**	97%	97%*	96.9%
% of DBS forms returned to Managers (Directorates) with errors/missing information within 48 hours	**100%**	100%	100%	100%
Change Letters - issued within 10 working days from system change	**100%**	80%	97%	90.8%
% of nationally and locally agreed pay awards implemented no later than the month following the month in which the award was authorised	**100%**	100%	100%	100%

* A new set of controls have been established by the team in September in order to consistently hit this non-contractual target - a team target to issue within 24 hours and each team member reporting on their performance against that.