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(Not for Publication - Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act, 1972.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)

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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

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.