Cabinet Committee on Performance Improvement
Meeting to be held on 10 December 2015

Electoral Division affected:
All

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

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Executive Summary

This report provides an update on the Service Governance and Performance Monitoring of the County Council's strategic partnership with BT. The report covers the first two quarters of 2015/16.

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

Recommendation

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

Background and Advice

This report sets out the performance of the County Council's strategic partner, BT Lancashire Services Ltd (BTLS), against agreed performance indicators for the first two quarters of the 2015/16 financial year. In addition to this, the report sets out the wider approach adopted to ensure the ICT and payroll services support the organisation and contributes to the strategic priorities and objectives of the County Council.

The scope of the strategic partnership is 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

Payroll and Recruitment Services

The scope of Payroll and Recruitment Services is set out within Schedules 24 and 25 of the Service Provision Agreement between the County Council and BTLS dated 16 April 2014 ("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

Achievement of Key Performance Measures

The key performance indicators against which BTLS are monitored are set out at Appendix 'A'.

ICT Services

All contractual performance targets were met in Quarters 1 and 2 with the exception of the Priority 2 target in Quarter 1. The target for resolving Priority 2 issues is 8 hours. This target was not achieved due to two incidents: one related to the Documentum system and another was schools related. The Documentum issue which occurred following an upgrade to the system was a complex problem to diagnose despite the deployment of considerable specialist resource but once the root cause was diagnosed a patch was applied very quickly. The knowledge gained from this incident has informed how certain items are configured within the system in future. The second issue related to internet access for two schools in rural North Lancashire. An issue with a telephony mast was identified as the cause of the outage, with an engineer dispatched to the site. The nature of the work necessary to resolve the issue required the hiring of a cherrypicker, which took a day to organise. This resulted in planned upgrade work to the network being brought forward to prevent this type of fault re-occurring in the future.

Whilst the contractual targets must be measured and monitored it is equally important that the ICT service supports the strategic direction of the County Council and works together to ensure our priorities are met. In some cases, savings targets are predicated on the need for investment in ICT or maximising the potential of the systems that we currently have. The ability of the partnership to deliver to this wider agenda should also be considered and the key activity undertaken in the current financial year is set out below:

- The Windows XP migration project concluded in May 2015, having replaced 3,297 PC's/laptops and upgraded a further 3,121 devices, packaged 914 applications and visited 263 sites. This was essential work required in order to retain our Public Service Network(PSN) accreditation as Windows XP was no longer an accepted operating system. Following this the County Council retained its PSN accreditation.

- Over 600 YOGA devices have been deployed to front line social work staff. The Yoga devices, together with the improved mobile telephony, enable social workers to work in a more efficient and flexible way. The new equipment allows social care staff to input information for assessments and reviews as the assessments are being conducted and avoid the need for manual records that are subsequently input into the system. At the same time, the information can be discussed with service users at the time of input to confirm accuracy and this in turn should reduce the number of follow up queries and complaints. Service users are also able to sign the information sharing agreement directly onto the screen rather than this having to be taken out in paper form by the member of staff or sent out and returned saving time and expense.

- The CLEO project commenced its rollout of superfast broadband connections to subscribing schools, providing a significantly faster broadband offering than their current level of provision. The current service provides 10Mb download and 10Mb upload. The upgrade to CLEO3 provides up to 80Mb download and up to 20Mb upload. Additionally the new Service replaces hardware that is old and unreliable so it will be more stable.

- There are currently 430 Lancashire Schools on the roll out schedule, but as FTTC (Fibre to the Cabinet) exchanges come available, this number is increasing. There are 90 Cumbrian schools.

- Further developments of the Lync Unified communications platform took place with over 1,700 users migrated. The Lync telephony is part of the Microsoft suite of software and is being implemented as the new corporate telephony platform replacing the ageing Ericsson PABX telephony. Lync brings additional functionality such as instant messaging, staff availability, teleconferencing and shortly video conferencing.

- The Symology Streetworks solution as part of the Asset Management Programme went live successfully in Quarter 2, with ICT Services staff providing system support in its 'Early Life Support' stage. This is the first step in building the overall solution and has enabled licence costs savings as this was previously hosted by a third party.

- The Debt Strategy project transitioned into the live environment, with BTLS completing the work to ensure the County Council's policies and processes were reflected in our systems. This was a key strand of the overall programme of work that has been completed over recent months to improve the way in which the County Council manages its debt and to improve the overall debt recovery rates. Whilst the new system has been implemented successfully, BTLS provided post go live support to resolve a number of issues that emerged. These have been fully resolved and the system is now fully operational.

- As part of the overall approach to improve and strengthen the County Council's disaster recovery arrangements, the planned move to the new disaster recovery site at Telecity was completed in late August 2015. The existing complex backup environment, across multiple sites using 4 separate vendor technologies was leading to a number of specific operational issues which meant that action needed to be taken. These included:

- ➢ Data Sampling showed a failure rate of approximately 10% across all backups. These included critical systems where the resultant data loss would be unacceptable in the event of a disaster.
- ➢ Key platforms, in particular: NAS (Network Attached Storage)File Systems (Team and P drives) and Oracle were taking in access of 24 hours to backup and potentially even longer to restore.
- ➢ The previous 'offsite' recovery / tape solution afforded the Council no continuous practice/testing for DR (Disaster Recovery), and substantially reduced the ability for BTLS to restore services in the event of a disaster. The previous solution would have taken at least 12-24 hours to configure the core platform before any services could have actually been restored.

The new data protection and archiving solution delivered by BTLS has addressed all of the fundamental issues and risks as highlighted above. By using a consolidated 'single/reduced' vendor approach, which has reduced the overall complexity, the new solution has increased the County Council's Disaster recovery capabilities tenfold. The service is now being hosted both locally and replicated to a second site in Manchester called Telecity. This allows all County Council data to be seamlessly backed up and importantly to be restored quickly from either Preston or Manchester in the event of a disaster.

- A replacement for the unsupported Saturn Telescheduler went live in LAS in July 2015. This is now used by staff in the 17 residential care homes across Lancashire and replaces their previous software suite. This means that the service is now running on a supported platform integrated with the wider social care community.

- During Quarter Two the modern.gov applications were migrated to a new 2012R2 server as part of the Server 203 migrations and also to satisfy the requirements for Public Service Network Certification.

- Public Services network accreditation was granted for the County Council in late September. The PSN is the government's high-performance network, which helps public sector organisations work together, reduce duplication and share resources.

Payroll and Recruitment Services

All contractual and non-contractual performance targets were met within quarters one and two. The following is a summary of key activity completed during the first 2 quarters of 2015/16:

- The ISO9001 Quality Management System External Audit took place and looked at corporate 'core' procedures in addition to two new BTLS teams in the scope. The assessor recommended that BTLS retain the certification.

- The Lumesse/Oracle integration project commenced. This means that Lumesse which is the recruitment system will be able to integrate seamlessly into Oracle HR so that accepted appointments are automatically set-up in

Oracle thus streamlining the process and making efficiency savings by avoiding double entry of data.

- Lumesse interview scheduler went live.

- In terms of the County Council's Transformation Project, Statements of Particulars were issued to all staff who had been appointed to the County Council's phase 1 structure.

- Work was finalised on the implementation of changes to the Teacher's Pension scheme taking effect from 01 April 2015, affecting approximately 12,000 employees in teacher's pensions.

- Utilisation of the new print software Minkz commenced. This will enable offer and contract letters to be centrally printed and despatched within Mail and Print delivering efficiency savings.

- The recruitment team worked closely with AskHR to provide information and guidance on how to perform in-house training on Lumesse.

- In August, Payroll Services handled the highest number of starters and leavers this year at 1,112 and 930 respectively. This activity is attributable to the schools.

- The Charted Institute of Public Finance and Accountancy (CIPFA) benchmarking exercise, showed that BTLS has comparable performance to other payroll providers.

1. **Revised Contract Monitoring and Governance Arrangements**

The new governance arrangements in place since December 2014 continue to develop and are providing a much clearer framework within which to manage all aspects of work being commissioned from BTLS. The cluster approach that has been adopted for the core business areas is focussing attention on the key priorities for development work on core systems and reducing the number of active projects in order to direct resource to these priorities. Additionally it has enabled requests for common requirements to be channelled into a corporate solution that gives a more unified and cost effective approach. A recent example of this is the request for a 'Case Management' application from Welfare Rights, Care and Urgent Needs, AskHR/Payroll and Customer Access which had been requested separately and are now being looked at as a single requirement.

With more dedicated support there has been an opportunity to review the financial management arrangements and ensure these are as robust as possible. Affordability budgets and costs are scrutinised on a monthly basis and in addition to this there is a much greater focus on off-contract spend. This relates to additional expenditure that the County Council incurs with BTLS, i.e. mobile phones, equipment etc.

Purchase of any new PC's and laptops is no longer a BTLS catalogue item and any request for new PC's and laptops are managed through the Client Services team. This is alongside the management of the desktop refresh budget ensuring that new equipment is not bought unnecessarily, when in fact the organisation is diminishing in size and hence the opportunity to make better use of our assets is taken. This approach is already reaping benefits and the savings target of £1m in 2015/16 on the BTLS contract will be fully achieved both this year and in future years.

As part of previous financial strategies, an additional savings target of £2m on the BTLS contract has been approved. A partnership approach is being adopted to identify where these savings can be achieved. In some cases there may be some actions or decisions needed by the county council to reduce costs that are charged to the affordability budget in order for the costs to be reduced. Work on this key project is progressing to ensure that the target can be fully achieved.

2. Update on Core Systems

The **Asset Management Programme** continues to progress well. Blueprints have been created that set out the vision for the solution across the four service areas affected – highways, property management, capital project management and finance. These blueprints have all been well received and have all been agreed. New, optimal, business processes have been designed and agreed which will maximise the benefits resulting from the programme. A benefits review has taken place which has confirmed that the designed solution will support the delivery of all the benefits contained within the original business case. The build of the technical solution has now commenced and a transformation group has been created to manage the implementation of the change into the business.

The current systems used within the **Customer Access Service** are at the end of their life and need to be replaced as part of the planned replacement programme of core systems for the County Council. A process has been conducted to select a system that meets the County Council's business requirements and will support the Customer Access Service by harnessing technology to encourage self-service and utilise multiple access channels for customer access. This will enable the Customer Access Service to deliver financial savings in future years. The work is reaching a conclusion and it is anticipated that the work to start the implementation of the new system will start in January 2016.

With the support of BTLS, **Startwell** have completed a review of their existing systems which are coming to the end of life as they are no longer supported. The review concluded that the way forward includes upgrading to the new CACI Impulse and procuring Childview Hub and CACI's Online Admissions System. This approach will allow us to meet our statutory requirements and also rationalise our datasets. Work is underway to ensure that the very tight timescales can be met from both the service and BTLS. A separate exercise will need to be undertaken to identify the most appropriate solution for the Governors Live System.

The current **Library Management System** known as Talis Alto has not been upgraded since 2009. The version of Alto in use is out of official support from the supplier Capita, in addition the hardware that the system runs on is also coming to end of life and needs to be decommissioned by October 2016. Libraries have been unable to move from the current version of Alto as the majority of their admin/staff PCs are running Windows Vista, and the Alto client is not supported on this operating system in later releases of the software. The libraries assets are currently being upgraded to the latest version of Windows 7. It is essential that libraries move to the latest version of Alto both to bring it up to the latest supported version but importantly to be able to use the latest functionality within the software that will enable libraries to utilise the latest technologies that will enable channel change, self-service and more efficient integrated processes. The service is now in receipt of a proposal that will enable the upgrades of both hardware and software to be applied and this is currently being negotiated.

3. **Education Update**

As reported previously a decision was made that BTLS will take on direct accountability for the Schools CLEO/ICT service and the associated income/costs, releasing the County Council from financial risk and costs related to schools leaving the service along with associated infrastructure investments. Due diligence has been undertaken and the Change Control Notice is being processed.

The new arrangements will operate as follows:

- BTLS will provide the CLEO Network services and Westfield Services direct to Schools.

- BTLS will be responsible for setting the pricing for the provision of CLEO Network Services and Westfield Services to the schools.

- BTLS will be paid all income in relation to the provisions of the CLEO Network services and Westfield Services.

- The County Council will communicate and advocate BTLS as the preferred supplier of broadband and ICT services to Lancashire and Cumbria schools for the remainder of the contract.

- The partner shall continue to provide the Schools Information Management System (SIMS) product, support and consultancy where it is required as part of the Westfield services subject to the County Council continuing to provide and deliver SIMS training to the Schools.

In terms of the development of the schools service the rollout of Superfast Broadband is progressing well with 127 schools already migrated and benefitting from the much faster and more resilient service. This is being well received by the schools. In total there are currently 430 Lancashire schools and 90 Cumbrian schools subscribing to CLEO (and on the roll out schedule) so this

represents 24% of schools already migrated. Overall there is also progress being made on the corporate network with a further 111 sites migrated too.

4. BTLS Staffing Update

BTLS want to be recognised for delivering service excellence for its customers and in delivering that, ensure its staff feel valued, respected, involved and informed in the direction of the organisation and that the culture and practices employed ensure BTLS is a sustainable healthy unit that staff are proud and engaged to work in. In previous reports to CCPI, BTLS confirmed it was undertaking periodic voluntary all staff surveys. The third of these was undertaken in July 2015.

Since the first survey in June 2014, staff response rate has increased significantly from 45% to 65% (>300 staff) of BTLS staff taking time to complete this survey. This is very encouraging and it means there is a much greater representative base of staff feedback to learn from and act upon. In addition, the overall measure of BTLS staff engagement, calculated from the responses given by staff, has continued to increase. As can be expected, the key issues raised by staff related to uncertainty on the future related to the severe budget challenges. The next survey is planned for Spring 2016.

BTLS has increased investment in training, most notably by extending its Pioneers leadership training programme for managers. Nearly 120 staff will now have the chance to participate and further iterations of the training are being evaluated such that this well received staff development can be extended to more staff within the organisation.

Consultations

BTLS have been consulted and contributed to 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		