
EK Services & EK Human Resources Performance

To: **Thanet District Council Corporate Performance Review Working Party (8 February 2016)**

By: **Dominic Whelan – Director of Shared Services**

Classification: **Unrestricted**

Summary: This report provides a summary of performance for the services delivered by EK Services for Thanet District Council, which include ICT, Customer Services, Income (Revenues), Payments (Benefits) and it also reports on the services delivered by EKHR.

The report covers service performance over the period October to December 2015 inclusive.

For Decision

1.0 Introduction and Background

(this section has been repeated from last period for benefit of any new Members and Officers)

1.1 EK Services (EKS) and EK Human Resources (EKHR) have both been established as Shared Services under a Joint Committee arrangement. Each of the partner Authorities¹ have delegated certain 'shared service' functions to the East Kent Services Committee (EKSC) to be discharged. These functions include the following services:

- ICT Services
- Face to Face & Contact Centre Customer Services
- Revenues (Council Tax and Business Rates)
- Benefits (administration of the Housing Benefit Scheme); and
- Human Resources.

1.2 EKSC has in turn delegated the discharge of these functions to the Director of Shared Services (for EKS) and Director of Collaborative Services (for EKHR); both appointments being held by the same person (currently Dominic Whelan) who is employed under the host arrangements of TDC.

1.3 The East Kent Services Board (EKSB) has been established by the Authorities to coordinate and monitor performance of the Shared Services. The Authorities have in turn authorised the respective Chief Executives to act as the Authority representative at the EKSB.

1.4 EKSC approved a new five year Collaboration Agreement on 11 February 2015; the Collaboration Agreement sets out the principles and key objectives; administrative arrangements; duties of the Authorities and delegated functions and other arrangements.

¹ Authorities are: Thanet District Council (also acts as host Authority for EKS), Canterbury City Council and Dover District Council (also acts as host Authority for EKHR).

- 1.5 EKS and EKHR are subject to audit by East Kent Audit Partnership (EKAP) who undertake a rolling review of key services under an audit plan agreed with the Authorities and produce an annual report to EKSC at end of year. In addition to the EKAP audits, there are external audits from TDC and DDC Financial Auditors (Grant Thornton) who review the finance and accounts for the Shared Services as part of the host Authority arrangements including Non Domestic Rates and Council Tax. External Auditors also audit the annual Housing Benefit subsidy claim and test elements of the Council Tax Support scheme.
- 1.6 EKS and EKHR monitor and report on performance monthly and meet with TDC lead client officer (Tim Willis) each month to discuss service performance and specific issues. Below this lead client there is active engagement between EK Services Management and TDC Managers across the relevant service areas. EK HR also provides an HR Business Partner who works within TDC and provides a first point of contact for HR work issues. Head of EK HR also regular attends TDC CMT (Workforce) meetings to report and discuss relevant issues as well as attending the monthly meetings with TDC lead client officer.
- 1.7 *This performance report will cover the Q3 period from October to December inclusive.*
- 1.8 Performance is monitored against agreed Indicators that are contained with Service Level Agreements (SLA); these agreements are subject to annual review and agreement between each of the three partner councils and EK Services. The current SLA for EKHR which, as briefed in the last report, requires significant review as it is based upon services as at the date of establishment is in process of being drafted for implementation next FY.

2.0 Service Performance

- 2.1 **Overall** performance is stable and remains on track to achieve end of year targets. A detailed breakdown of the year to date (by Quarter) is attached at Appendix 1. This shows that, at end of December, we are above target on all indicators although we have seen a drop in the availability of email systems and corporate website since the last period (see section 2.5 below) albeit still above monthly target. The average face to face waiting time in minutes has been steadily dropping. This is partly due to the introduction of new processes within the Gateway to assist with queue reduction and there has also been a gradual reduction in callers (5% reduction on same Quarter last year and monthly reductions throughout the reporting period). The time taken to process claims and changes in Benefits and the accuracy of targets has not been as good this period but this is the expected impact of the extra work and resourcing pressure with the single system project (see Section 2.4.1) and we are confident this will return to normal by end of year.
- 2.2 **Non Domestic Rates (NDR) and Council Tax (CT).** The Income team have continued to work hard to administer the collection of Business Rates and Council Tax and pursuit of debts from corporate customers, residents and businesses. This has seen collection levels trending above the levels in the previous year Q3². We are looking to provide a greater level of detailed Management Information to assist the TDC Finance team and Director of Resources as they work through the various changes expected as a result of new Government policy, albeit it remains unclear what the exact impact will be.

² Council Tax: Q3 2014 - 83.22%; Q3 2015 – 83.80%.
Non Domestic Rates: Q3 2014 – 83.69%; Q3 2015 – 85.32%

- 2.3 **Payments (Benefits) service.** The two major activities in the period within the Payments team were the Single System project and the start of Universal Credit in TDC. Details for each follow:
- 2.3.1 **Single System.** We saw the successful implementation of the new single revenues and benefits solution which is now live. This was a major programme that required the migration and testing of all current customer 'accounts' and backdated information (more than £1Bn of billing history). The programme has been seen as an exemplar by Civica, the system supplier. The implementation required a three week close down period which created an expected backlog of case work which is now being worked through. This means that the performance for EKS13t '*Time taken to process all new claims and change events*' over the past two quarters has been lower than normal. However, this was expected and we remain confident that the workload will level out as we approach the end of year.
- 2.3.2 **Universal Credit (UC).** The rollout of UC within East Kent commenced in TDC on 12 Oct 2015. As at 31 Dec 15, there were approximately 293 claims (of all types) made within Thanet handled by DWP compared to our own core working age caseload of 10.3k in Thanet. We do not expect this core (existing) casework to transfer until 2018-2019. At the same time we are awaiting further information on the possible introduction of new work for Local Authorities that may mean we see some growth in new activity alongside the reduction from Housing Benefit. The Director General overseeing UC in the DWP has written to all Chief Executives to inform that, as the programme gathers pace and more of the existing caseload transfers, a proportion of the LA grant funding is likely to reduce as it switches across to DWP, but for 16/17 they are maintaining grant at current level in recognition of the slow start. It is also worth noting that DWP are saying upfront that they do not believe the loss of work, from Districts to DWP, will fall under TUPE transfer legislation and therefore the anticipated reduction in staffing will most likely result in some redundancies. We will model this impact in detail as we gain further insight into the possible work that may come to Districts.
- 2.4 **ICT.** Service has also been maintained at or above agreed level but there were two major system outages in the period which meant that work was disrupted for approx nine hours throughout December resulting in 98.53% availability for the Qtr 3. Both instances have been investigated, one was due to a technical failure in the data centre and work is ongoing to reduce the chance of this occurring again. The second event was a targeted 'attack' against the government infrastructure in which we were collateral damage. We are working with colleagues across local and national government to try and mitigate and minimise such attacks impacted our work but it is a timely reminder about the need to maintain vigilance over data and information within the web, email and network areas.
- 2.4.1 **Web and Applications.** The resourcing challenges within the Web Support and Development team remain a key risk. We are finding it difficult to recruit staff and the turnover in this particular business area is high as individuals often seek to change their working environment more regularly and demand for their services from companies in London places pressure on recruitment and retainment. We are managing the immediate pressure by using contractors and agency staff but we are now looking towards other options, such as contracting out the work on a retained basis or fully outsourced arrangement. We are incorporating the client demand, in particular from TDC, into this work as the TDC internal resources have been reduced following the re-organisation in the corporate communications team

3.0 Finance

- 3.1 EKS and EKHR report financial performance to East Kent Services Board at half year and at end of year. The end of year report is also presented to East Kent Services Committee for approval. Monthly budget monitoring and routine financial management is conducted by the Director of Shared Services who maintains close contact with the Council Finance Officers. In addition, as EKS is hosted by TDC, the EKS accounts are subject to the same external audit as TDC.
- 3.2 EKS is funded by revenue income from each of the three partner Authorities in the form of 'management fees' and other income from EK Housing and Ashford Borough Council. The income for 2015/16 is £11.656m, of which TDC provided £4.255m. A savings target of £260k was set by the three Councils at the start of the year and we are currently on track to achieve this. This is after absorbing growth in salaries and indexation on certain support and maintenance contracts totalling £220k.

4.0 Innovation and Initiatives in Progress or achieved

- 4.1 **Single System Project (complete).** EKS have completed the implementation of the Civica Open Revenues system meaning that all three councils are now on the same system which will deliver savings and operational improvements as well as customer self-serve improvements.
- 4.2 **Single Telephony Project (awaiting contract, preferred bidder agreed).** Following detailed evaluation with assistance from representatives from each council, a preferred bidder was nominated. The new system is due to be implemented in the first half of 2016.
- 4.3 **East Kent People (Completed – snagging ongoing).** The new East Kent people HR Self-Serve and Payroll system is now live. The system is undergoing a period of 'snagging' to identify improvements and managing any data errors.
- 4.4 **Financial Modelling and Cost Base (in progress).** EKS is completing a comprehensive review of its cost base and financial model in order to provide much greater granularity on costs per service and to build a more accurate service catalogue. This in turn will allow us to benchmark more accurately in order to ensure correct pricing; where applicable provide more detailed breakdown on costs to council business units and also ensure we can deliver correct pricing as and when we seek to take on additional business.

5.0 Recommendations

- 5.1 Comments are invited from Members of the Working Party;
- 5.2 Members to note the report.

6.0 Decision Making Process

6.1 The Corporate Performance Review Working Party can scrutinise the performance of shared service arrangements and make recommendations to the Overview Panel for onward submission to Cabinet.

Contact Officer:	Dominic Whelan, Director of Shared Services, (01227) 862 073
Reporting to:	Madeline Homer, Chief Executive

Appendix List

Appendix 1	EK Services and EK Human Resources Performance – Latest position at December 2015
------------	---

Background Papers

Title	Where to Access Document

Corporate Consultation Undertaken

Finance	
Legal	
Communications	