



# **OUTSOURCED SERVICES SCRUTINY PANEL**

**Thursday, 12th February, 2015**

**7.00 pm**

**Publication date: 4 February 2015**

## **CONTACT**

If you require further information or you would like a copy of this agenda in another format, e.g. large print, please contact Jodie Kloss/Alan Garside in Democracy and Governance on 01923 278376 or by email to [legalanddemocratic@watford.gov.uk](mailto:legalanddemocratic@watford.gov.uk) .

Welcome to this meeting. We hope you find these notes useful.

## **ACCESS**

Access to the Town Hall after 5.15 pm is via the entrance to the Customer Service Centre from the visitors' car park.

Visitors may park in the staff car park after 4.00 p.m. and before 7.00 a.m. This is a Pay and Display car park; the current charge is £1.50 per visit.

The Committee Rooms are on the first floor of the Town Hall and a lift is available. Induction loops are available in the Committee Rooms and the Council Chamber.

## **FIRE/EMERGENCY INSTRUCTIONS**

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- Do not stop to collect personal belongings
- Go to the assembly point at the Pond and wait for further instructions
- Do not re-enter the building until authorised to do so.

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# COMMITTEE MEMBERSHIP

Councillor P Taylor (Chair)

Councillor K Hastrick (Vice-Chair)

Councillors S Counter, J Dhindsa, S Greenslade, A Joynes and R Martins

## AGENDA

### PART A - OPEN TO THE PUBLIC

**1. APOLOGIES FOR ABSENCE/ COMMITTEE MEMBERSHIP**

**2. DISCLOSURES OF INTEREST**

**3. MINUTES**

The minutes of the meeting held on 7 January 2015 to be submitted and signed.

Copies of the minutes of this meeting are usually available seven working days following the meeting.

*(All minutes are available on the Council's [website](#).)*

**4. COUNCIL TAX COLLECTION AND RECOVERY (Pages 1 - 2)**

The Head of Revenues and Benefits to give a presentation on council tax collection and recovery to the Panel.

**5. PERFORMANCE REPORT - QUARTER 3 2014/15 (Pages 3 - 20)**

Report of the Partnerships and Performance Section Head

This report provides the Panel with the relevant performance indicators for Quarter 3 2014/15.

**6. UPDATE ON ICT CONTRACT (Pages 21 - 24)**

Report of the ICT Client Section Head

**7. CONCLUSIONS AND RECOMMENDATIONS**

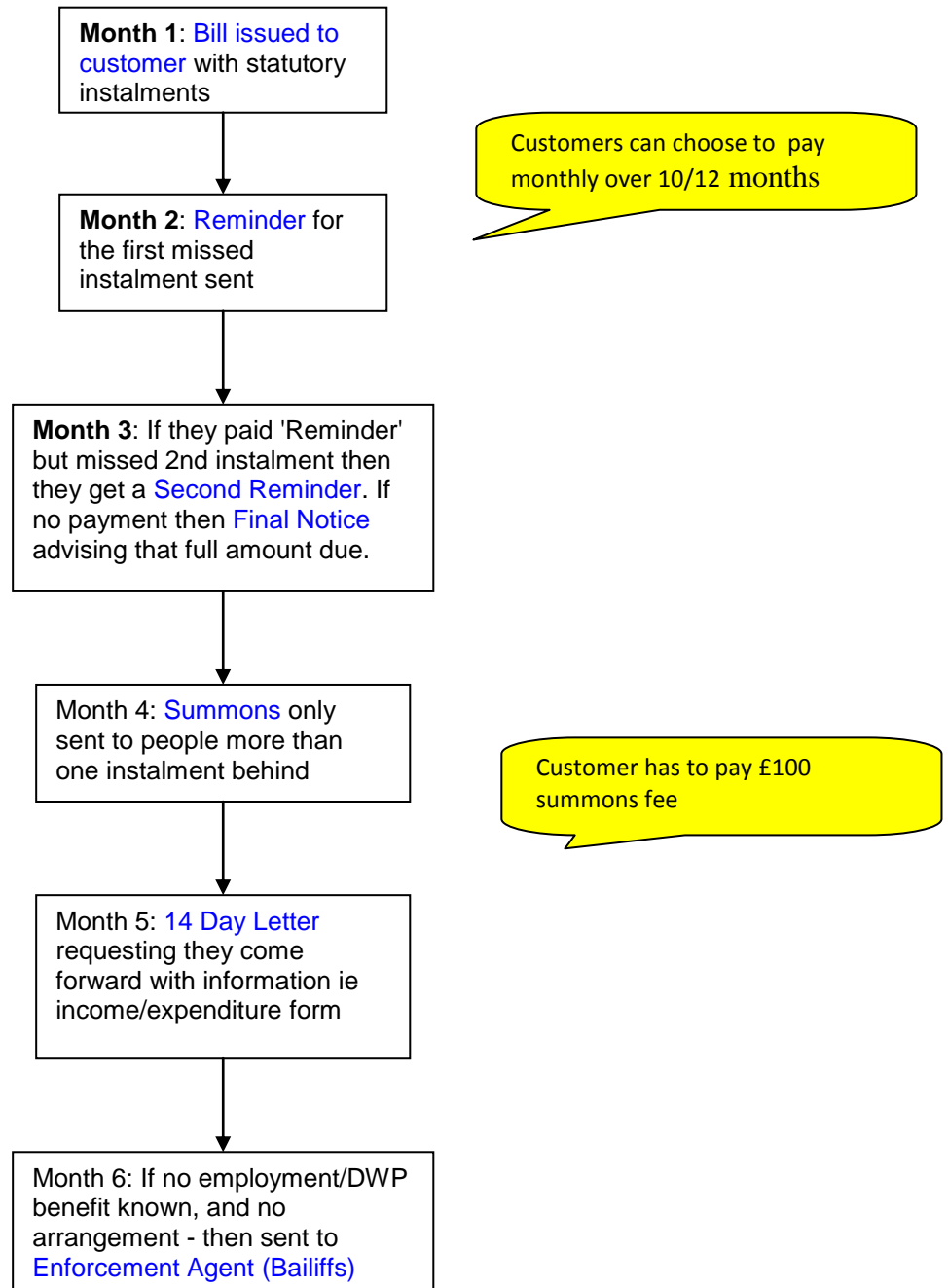
The Panel to discuss conclusions and recommendations arising from the ICT contract item.

**8. UPDATE ON ACTIONS (Pages 25 - 30)**

The update on actions is attached. Members are asked to sign off for those which are complete.

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## COUNCIL TAX RECOVERY PROCESS



- NB 1** Throughout the process if an arrangement is made then they will get an Arrangement Notice. If they miss an arrangement instalment then they will get an Arrangement Reminder
- NB2** Bailiffs will charge £75 to send out a first letter and then charge for visits thereafter
- NB3** Most customers will have had at least 2 reminder notices before being summonsed.
- NB4** The case is only passed to the bailiff if the customer has made no payment once a summons has been issued, or has failed to provide us with their financial information to agree a re-repayment plan

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## \*PART A

**Report to:** Outsourced Services Scrutiny Panel

**Date of meeting:** 12 February 2015

**Report of:** Partnerships and Performance Section Head

**Title:** Outsourced services performance data and information –  
Quarter 3 2014/15

### 1.0 SUMMARY

- 1.1 Watford BC's Corporate Plan 2014-18 sets out the council's priority areas for delivery over the next four years. These are supported by a suite of performance measures. These measures support the delivery of good quality services by ensuring they are performing at an acceptable standard, highlighting areas of strong performance and, more importantly, which areas might require some additional focus to improve performance. In these latter cases, consideration needs to be given to the reasons for under-performance and to steps that might support improvement.
- 1.2 A significant number of key performance measures are now collected for services that have been outsourced to external providers. These measures play a critical role in ensuring that the contracts governing the relationship between the council and the external contractor are well managed and delivering the quality of service expected.
- 1.3 This report focuses specifically on the performance information obtained from the providers of the council's externalised service as of quarter 3 2014/15.
- 1.4 There are a number of new measures included within the report for 2014/15, which means that, for quarter 3, it has not been possible to undertake trend analysis in every case, particularly from last year. This will, however, be addressed in future reports (i.e. from 2015/16) as trend data is established.

### 2.0 RECOMMENDATIONS

- 2.1 Panel to note and comment on the performance of the identified outsourced service indicators at the end of quarter 3 (October - December) 2014/15 - Appendix A.

#### **Contact Officer:**

For further information on this report please contact:

Kathryn Robson, Partnerships and Performance Section Head

telephone extension: 8077 email: [kathryn.robson@watford.gov.uk](mailto:kathryn.robson@watford.gov.uk)

### 3.0 Background information

Watford BC regularly collects and monitors performance data for a wide range of its service areas. This is to ensure that services are performing at an acceptable standard. It helps highlight areas of good performance as well as those areas which might require some additional focus to improve performance. This performance data and information is reported to the council's Leadership Team on a regular basis and to Cabinet and either Overview and Scrutiny Committee or Outsourced Services Scrutiny Panel on a quarterly basis.

### 3.1 Current outsourced services

3.1.1 Over the last few years, Watford BC has outsourced a range of its services. Within the contracts associated with these services is a requirement to collect and report performance information to the council to support its role as 'client' or 'commissioner'. The range and scope of this information is defined within each contract and would be relevant to the area of service delivery.

3.1.2 Whilst Overview and Scrutiny Committee continues to scrutinise performance relating to services retained 'in-house', Outsourced Services Scrutiny Panel established that performance information relating to the following outsourced contracts was to be reported to the Panel in 2014/15:

- Veolia
  - Street cleansing
  - Waste and recycling
  - Parks and open spaces
- SLM
  - Watford Leisure Centre – Woodside
  - Watford Leisure Centre - Central
- HQ Theatres
  - Watford Colosseum
- Vinci
  - Parking
- Capita
  - ICT
- Three Rivers District Council (lead authority)
  - Revenues and Benefits
- Watford Borough Council (lead authority)
  - Human Resources

3.1.3 Performance information available at Quarter 3 2014/15 that relates to the areas outlined in 3.1.2 is included in this report to Panel at Appendix A.



### **3.2 Review of performance at end of Quarter 3**

- 3.2.1 Overall, the council's outsourced services shows steady improvement and sustained levels of performance in most areas during Q3 2014/15. At this stage in the year, the results provide a good indication of the likelihood of whether year end targets will be met.
- 3.2.2 Recycling performance and residual waste collected are on target to meet annual targets overall. The reduction in residual household waste in 2014/15 is particularly good news as this has a significant impact on the waste Watford sends to landfill. The increase in waste collected in Q3 as seen in Appendix A is due to the Christmas 'waste amnesty' that is applied to help households manage waste generated over Christmas. Street cleansing performance for Q3 is also within targets across all four areas: litter, detritus, graffiti and fly posting.
- 3.2.3 SLM's performance remains relatively stable from Q3 and seasonal impacts such as Christmas are anticipated in terms of usage figures. There are some areas that the Client team is following up with SLM and these will be highlighted in the end of year report.
- 3.2.4 Capita performance reflects the ongoing issues experienced with ICT. Panel will note the downtime in the ICT service has had an impact across a range of council work - most notably in this report the Benefits' measures, although staff in the service are focusing resources to ensure impact on customers is minimised.
- 3.2.5 Sickness absence is now performing within the council's 'stretch' target of 5 days and is showing the council's best performance to date.

### **4.0 IMPLICATIONS.**

#### **4.1 Financial**

- 4.1.1 There are no financial implications within this report.

#### **4.2 Legal Issues (Monitoring Officer)**

- 4.2.1 There are no legal implications within this report.




### Appendices

#### Appendix A







WATFORD BOROUGH COUNCIL – MEASURES OF PERFORMANCE - Outsourced Services Quarter 3 (October - December) 2014/15

## WATFORD BOROUGH COUNCIL – MEASURES OF PERFORMANCE






October - December 2014 (Quarter 3) 2014/15

Ref	Indicator	Target for year	Profile for period (Q3)	Results for period (Q3)	Cumulative result (Q3)	 % variance	Trend since last year (Q3 2013/14)	Trend since last period (Q2 2014/15)	Comment
<b>ENVIRONMENTAL INDICATORS (VEOLIA ENVIRONMENTAL SERVICES)</b>									
ES1	Residual household waste per household	495kg	123.75kg	<b>124.51 kg</b>	366.97 kg	 [0.8%]	↓ [123.91 kg] [Q3:13/14]	↓ [111.03kg] [Q2:14/15]	Extremely strong performance in Q2 and Q3 increase expected due to Christmas period.
ES2	Total percentage of household waste sent for reuse, recycling and composting	45%	45%	<b>42.96%</b>	46.41%	 [4.5%]	↑ [41.42%] [Q3:13/14]	↓ [46.18%] [Q2:14/15]	Fall in Q3 result of reduced green waste collected – see E4, which is expected during winter months.
ES3	Percentage of the total tonnage of household waste arising which have been recycled (dry recycling – commingled)	-	-	<b>25.33%</b>	N/A	-	↑ [20.90%] [Q3:13/14]	↑ [24.17%] [Q2:14/15]	No target set. This indicator measures the % of 'dry' recyclables included within the total % result (E2 above). (ES3+ES4 = ES2)
ES4	Percentage of waste sent for composting including waste which has been treated through a process of anaerobic digestion	-	-	<b>17.63%</b>	N/A	-	↓ [20.54%] [Q3:13/14]	↓ [22.01%] [Q2:14/15]	No target set. This indicator measures the % of 'green' recyclables included within the total % result (E2 above). ES3+ES4 = ES2). The fall in this measure is expected during the winter months.


## Appendix A - Watford BC - Measures Of Performance (outsourced services) – Progress report as of quarter 3 – (2014/15)

Ref	Indicator	Target for year	Profile for period (Q3)	Results for period (Q3)	Cumulative result (Q3)	 % variance	Trend since last year (Q3 2013/14)	Trend since last period (Q2 2014/15)	Comment
ES5	Household collection services	47.5%	47.5%	<b>43.08%</b>	46.6%	 [9.3%]	New measure for 14/15	↓ [46.22%] [Q2:14/15]	
ES6	Total number of deliveries to the processors ie 80 per quarter and the percentage of those which are rejected due to contamination ie over 5%.	>5% [out of 80]	>5% [out of 80]	<b>0%</b> rej of circa 160 deliveries	0% rej of circa 160 deliveries	 [100%]	New measure for 14/15	↔ [0%] [Q2:14/15]	There have been no load rejections through Q3 out of 160 deliveries
ES7	Number of valid missed bins	<0.05%	<0.05%	<b>0.01%</b>	N/A	 [80%]	Not reported in 14/15	↑ [0.03%] [Q2:14/15]	
ES8	Number of missed bins put back within contract timescale (reported before 12pm - same working day, reported after 12pm - next working day)	-	-	<b>141</b>	390	-	New measure for 14/15	↑ [180] [Q2:14/15]	No target set.
ES9	Improved street and environmental cleanliness (levels of litter:- %)	4%	4%	<b>1.98%</b>	N/A	 [50.5%]	Not reported in 13/14	Not reported in Q2 14/15	The results reflect the concerted effort made by the Village teams during the period to clear autumn leaves, as well as recent training designed to improve street cleansing standards overall. There has been a general increase in graffiti
ES10	Improved street and environmental cleanliness (levels of detritus:- %)	5%	5%	<b>3.80%</b>	N/A	 [24.0%]	Not reported in 13/14	Not reported in Q2 14/15	









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ES11	Improved street and environmental cleanliness (levels of graffiti)	2%	2%	1.39%	N/A	 [30.5%]	Not reported in 13/14	Not reported in Q2 14/15	incidents, with one offender in particular leaving their tag in numerous places. Veolia are working with the (Anti-Social Behaviour Co-ordinator to tackle this problem and hopefully with the help of the Police the individual will be apprehended soon.
ES12	Improved street and environmental cleanliness (levels of fly posting)	0.3%	0.3%	0.0%	N/A	 [100.0%]	Not reported in 13/14	Not reported in Q2 14/15	
ES12	Allotment occupancy rate	80%	80%	89%	N/A	 [11.3%]	↑ [90%] [Q3:13/14]	↓ [90%] [Q2:14/15]	
ES13	Number of green flags achieved	4	4	4	4	 [0%]	↑ [3] [Q3:13/14]	↔ [4] [Q2:14/15]	This is an annual indicator. Performance would not be expected to improve from Q2.
ES14	<b>Veolia</b> Number of complaints / compliments - classified as: <ul style="list-style-type: none"> <li>• service delivery</li> <li>• customer service</li> <li>• policy</li> </ul>	-	-	7 complaints	71 complaints	-	New measure for 14/15	↑ [18] [Q2:14/15]	Of the 7 complaints: Waste - 1 Dry – 4 Comp – 2  Streets – 0 Parks - 0


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	<b>LEISURE AND COMMUNITY - SLM</b>								
LC1	<p>Watford Leisure Centres – WOODSIDE</p> <p>Number of complaints &amp; Number of compliments:—classified as:</p> <ul style="list-style-type: none"> <li>• service delivery</li> <li>• customer service</li> <li>• policy</li> </ul>	-	-	<p><b>39</b> complaints</p> <p><b>25</b> Compliments</p>	<p>80 complaints</p> <p>70 compliments</p>	-	Not reported in 13/14	<p>↑ [19 complaints] [Q2:14/15]</p> <p>↓ [17 compliments] [[Q2:14/15]</p>	<p><b>Complaints:</b></p> <ul style="list-style-type: none"> <li>• 4 policy</li> <li>• 20 service delivery</li> <li>• 15 customer service</li> </ul> <p>Top 3 complaints -</p> <p>1)Concern about lights being out in car park – Action: SLM liaising with the council re timers on the lights.</p> <p>2) gym toilets not having enough toilet paper – Action: increased gym toilet checks in place.</p> <p>3)cancellation of class – customer not aware of cancellation Action: check that have correct details for members and ensure they are contacted re any class cancellations</p> <p>Compliments this quarter:</p> <ul style="list-style-type: none"> <li>- Great new cover teacher Danny for swim lessons</li> <li>- Brilliant Aquatho day arranged by Hayley.</li> </ul> <p>Please can we have another one soon</p>


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									<ul style="list-style-type: none"> <li>- Lovely lady front of house and great classes which help with rehabilitation</li> <li>- Brilliant staff who coped well and reacted quickly to emergency situation in the pool</li> <li>- Loved the new Born to Move classes for children</li> </ul>
LC2	Watford Leisure Centres – WOODSIDE: Throughput	+5%	+5%	<b>166,569</b>	554,949	-	 [162,509] [Q3: 13/14]	 [192,261] [Q2:14/15]	Q3 down from Q2 by 13% however there is a 1.3% increase on throughput from last year 13/14.
LC3	Watford Leisure Centres – WOODSIDE % throughput that are concessions	-	-	<b>37%</b>	N/A	-	Not reported in 13/14	 [38%] [Q2:14/15]	No significant change
LC4	Watford Leisure Centres – WOODSIDE – Membership	+5%	+5%	<b>6,554</b>	N/A	-	 [4,996] [Q3: 13/14]	 [6380] [Q2:14/15]	Q3 saw a 2.7% increase on Q2.
LC5	Watford Leisure Centre – WOODSIDE Number of memberships that meets the council's priority sports development groups:								

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	• 14 to 25 year olds	-	-	643	-	-	Not reported in 13/14	↓ [872] [Q2:14/15]	26% decrease – council will discuss with SLM re this decrease. SLM to start getting total throughput for 14/25 to more accurately document numbers in this target group coming through the doors
	• BME	-	-	2080	-	-	Not reported in 13/14	↑ [1903] [Q2:14/15]	BME – increase of 9.3%
	• women and girls	-	-	3767	-	-	Not reported in 13/14	↓ [3794] [Q2:14/15]	Women and girls – slight decrease
	• 55+	-	-	531	-	-	Not reported in 13/14	↓ [536] [Q2:14/15]	
	• People with a disability	-	-	17	-	-	Not reported in 13/14	↑ [16] [Q2:14/15]	People with a disability – slight increase

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LC6	Watford Leisure Centre – CENTRAL Number of complaints & Number of compliments:—classified as: <ul style="list-style-type: none"> <li>• service delivery</li> <li>• customer service</li> <li>• policy</li> </ul>	-	-	<b>10</b> complaints  <b>2</b> compliments	64 complaints  33 compliments	-	Not reported in 13/14	↓ [21 complaints] Q2:14/15  [15 compliments] [Q2:14/15]	Complaints: <ul style="list-style-type: none"> <li>• 0 policy</li> <li>• 6 service delivery</li> <li>• 4 customer service</li> </ul> Top 3 complaints = 1) Pool closures – being addressed and SLM are taking remedial action to ensure this does not keep reoccurring as negative impact on service delivery - also all staff being trained to carry out pool test. 2) Showers still not working – Action : SLM have refurbished these 3) Disruption as a result of change of venue for classes
LC7	Watford Leisure Centres – CENTRAL Throughput	+5%	+5%	<b>128,104</b>	407,183	-	↑ [108,436] [Q3:13/14]	↓ [175,828] [Q2:14/15]	Client team discussing this result with SLM.
LC8	Watford Leisure Centres – CENTRAL – % throughput that are concessions	-	-	<b>29%</b>	N/A	-	Not reported in 13/14	↑ [26%] [Q2:14/15]	








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LC9	Watford Leisure Centres – CENTRAL – Membership	+5%	+5%	3990	N/A	-	↓ [3376] [Q3:13/14]	↓ [4009] [Q2:14/15]	A slight decrease in memberships
LC10	Watford Leisure Centre – CENTRAL Number of memberships that meets the council's priority sports development groups:								
	• 14 to 25 year olds	-	-	424	-	-	Not reported in 13/14	↓ [541] [Q2:14/15]	21.6% decrease from last quarter – as with Woodside future figures will represent total throughput for 14/25 to give more accurate figures for this age group.
	• BME	-	-	1274	-	-	Not reported in 13/14	↓ [1091] Q2:14/15]	BME increase of 16.5%
	• women and girls	-	-	2318	-	-	Not reported in 13/14	↓ [2343] [Q2:14/15]	Women & girls – slight decrease


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	<ul style="list-style-type: none"> <li>55+</li> </ul>	-	-	289	-	-	Not reported in 13/14	↓ [321] [Q1:14/15]	Slight decrease from last quarter. This represents 8% of the total membership
	<ul style="list-style-type: none"> <li>People with a disability</li> </ul>	-	-	9	-	-	Not reported in 13/14	↓ [13] [Q1:14/15]	Client team discussing this measure with SLM to ensure that they are recording it correctly.
	<b>LEISURE AND COMMUNITY – HQ THEATRES</b>								
LC11	Watford Colosseum Number of complaints & Number of compliments:– classified as: <ul style="list-style-type: none"> <li>service delivery</li> <li>customer service</li> <li>policy</li> </ul>	-	-	<b>17</b> complaints  <b>10</b> compliment	<b>36</b> complaints  <b>13</b> compliment	-	New measure for 14/15	↓ [9] [Q2:14/15]  ↑ [2] [Q2:14/15]	<b>Complaints:</b> <ul style="list-style-type: none"> <li>1 Policy</li> <li>11 service delivery</li> <li>5 customer service</li> </ul> Main themes included continuing 1) issues around visiting companies sound quality – Colosseum technicians are monitoring this 2) clarity of show in advertising – some complaints re santa show and expectations 3) misinformation from box office re parking and local area – Colosseum will make website clearer and training for box office staff.





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LC12	Watford Colosseum Number of commercial hires	-	-	11	62	-	↓ [20] [Q3:13/14]	↓ [21] [Q2:14/15]	
LC13	Watford Colosseum Number of community hires & workshops	20% of total events	-	12	27	-	↓ [16] [Q3:13/14]	↑ [7] [Q2:14/15]	Increased number of community events this quarter from Q2.
LC14	Watford Colosseum Number of ticketed performances	154	39	116	200	 [197.4%]	↑ [49] [Q3:13/14]	↑ [45] [Q2:14/15]	Target for year reached.
LC15	Watford Colosseum Number of dark days	84	21	13	61	 [38.1%]	New measure for 14/15	↑ [23] [Q2:14/15]	Q3 is the Colosseum's busiest time and this is reflected in the reduced number of dark days.



**Appendix A - Watford BC - Measures Of Performance (outsourced services) – Progress report as of quarter 3 – (2014/15)**


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	<b>REGENERATION AND DEVELOPMENT – PARKING - VINCI</b>								
RD1	Penalty Charge Notices issued	-	-	<b>6,114</b>	18,174	-	↑ [5,672] [Q3:13/14]	↓ [6,378] [Q2:14/15]	
RD2	Tribunal appeals (won / lost / not contested (NC))	-	-	<b>Won = 14 Lost = 1 N/C = 4</b>	Won = 48 Lost = 18 N/C = 9	-	[Won – 5 Lost – 1 N/C – 1] [Q3:13/14]	- [Won = 22 Lost = 14 N/C = 2] [Q2:14/15]	
RD3	Reasons for appeals lost (narrative measure)	-	-	-	-	-		-	Adjudicator not satisfied PCN handed to driver

## Appendix A - Watford BC - Measures Of Performance (outsourced services) – Progress report as of quarter 3 – (2014/15)






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	<b>ICT – CAPITA</b>								
IT1	ICT availability to users during core working hours (desktop & applications)	99.5%	99.5%	54.06% [Dec 14/15]	N/A	 [47.8%]	Not measured in Q3 2013/14	↓ [93.9%] [Sept:14/15]	Note this is a monthly result (Dec-14).
IT2	ICT helpdesk resolution Resolution is measured from the point the response is complete until service is restored (for an incident) by workaround, or fix, or fulfilled (for a service request) and agreed by the contact.	95%	95%	19.8% [Dec 14/15]	N/A	 [79.28%]	Not measured in Q3 2013/14	↓ [87.7%] [Sept:14/15]	Note this is a monthly result (Dec-14).
IT3	Helpdesk response times	99%	99%	99.91% [Dec 14/15]	N/A	 [0.9%]	↑ [99.8%] [Q3:13/14]	↓ [99.9%] Sept:14/15	Note this is a monthly result (Dec-14).
IT4	Unresolved calls that have breached the SLA	-	N/A	81 [Dec 14/15]	N/A	N/A	Not measured in Q3 2013/14	↑ [215] [Q1:14/15]	Note this is a monthly result (Dec-14).
IT6	Customer Satisfaction:	5.65 on a scale of 1 to 7					Not measured in Q3 2013/14		Not collected by Capita for Q3.

# Appendix A - Watford BC - Measures Of Performance (outsourced services) – Progress report as of quarter 3 – (2014/15)

Ref	Indicator	Target for year	Profile for period (Q3)	Results for period (Q3)	Cumulative result (Q3)	 % variance	Trend since last year (Q3 2013/14)	Trend since last period (Q2 2014/15)	Comment
<b>HUMAN RESOURCES – WATFORD BOROUGH COUNCIL (LEAD AUTHORITY)</b>									
HR1	Sickness absence (working days lost per employee, rolling 12 month rate)	5 days	5 days	4.22 days	n/a	 [15.6%]	New measure for 14/15	↓ [4.3days] [Q2:14/15]	Best performance achieved by council.

Ref	Indicator	Target for year	Profile for period (Q3)	Results for period (Q3)	Cumulative result (Q3)	 % variance	Trend since last year (Q3 2013/14)	Trend since last period (Q2 2014/15)	Comment
<b>REVENUES AND BENEFITS – THREE RVERS DISTRICT COUNCIL (LEAD AUTHORITY)</b>									
RB1	Average time to process housing benefits claims (from date of receipt to date processed)	22 days	22 days	25.98 days [Dec 14/15]	N/A	! [18.1%]	↓ [16.61 days] [Q3:13/14]	↑ [26.18 days] [Q2:14/15]	Note this is a monthly result (Dec-14).  Processing time reduced from 32 days in November. However the number of new claims outstanding has increased from 115 to 125.
RB2	Average time to process change of circumstances (from date of receipt to date processed)	15 days	15 days	24.59 days [Dec 14/15]	N/A	! [68.5%]	↓ [16.88 days] [Q3:13/14]	↓ [21.02 days] [Q2:14/15]	Note this is a monthly result (Dec-14).  Likely to worsen as backlog is reduced.

## Appendix A - Watford BC - Measures Of Performance (outsourced services) – Progress report as of quarter 3 – (2014/15)

Ref	Indicator	Target for year	Profile for period (Q3)	Results for period (Q3)	Cumulative result (Q3)	   % variance	Trend since last year (Q3 2013/14)	Trend since last period (Q2 2014/15)	Comment
RB3	Collection rates of council tax (against profiled target)	96.0%	82.4%	83%	83%	 [0.73%]	↑ [82%] [Q3:13/14]	Not applicable.	This is the result to end of Dec14. It is cumulative so cannot compare to a trend from previous quarter.
RB4	Collection rates of NNDR (against profiled target)	97.0%	88.4%	87.60%	87.60%	 [0.9%]	↔ [87.6%] [Q3:13/14]	Not applicable.	This is the result to end of Dec14. It is cumulative so cannot compare to a trend from previous quarter



on target/in budget **or** above target



not on target/ over budget but there is no cause for concern at this stage.



not on target/ more than 10% variance or £50k over budget and is a cause for concern.

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## \*PART A

**Report to:** Outsourced Services Scrutiny Panel

**Date of meeting:** 12 Feb 2015

**Report of:** ICT Client Section Head

**Title:** ICT Outsourced Contract

### **1.0 SUMMARY**

- 1.1 The internal ICT service outsourced all ICT service provision in May 2013 to Capita. There are currently significant issues with Capita core contract delivery identified by the client team and accepted by Capita. These were reported to the Outsourced Scrutiny Committee in October 2014.
- 1.2 This report outlines the current position in relation to Capita bringing the Watford and Three Rivers (W3R) ICT service level back to the agreed position.

### **2.0 RECOMMENDATIONS**

- 2.1 Panel to note the content of this report.

#### **Contact Officer:**

For further information on this report please contact:

Emma Tiernan, ICT Client Section Head

telephone extension: 727457 email: [emma.tiernan@watford.gov.uk](mailto:emma.tiernan@watford.gov.uk)

### **3.0 Background information**

3.1 In October 2014 a report was submitted to the Outsourced Scrutiny panel outlining the following:

- Why, the decision was taken to outsource the IT Service
- How the contract is “normally” monitored and how it is currently being monitored within the recovery state
- Service Level Agreements, including financial penalties within the contract
- Current Capita resources and structure
- Issues directly affecting Councillors
- Contract finances.

3.1.1 Watford as the lead provider, under the lead authority model, escalated IT core contract performance issues formally in March 2014. This poor service provision was and continues to impact a number of areas of delivery including day to day operational services, the IT improvement programme - Modernise IT, outstanding audit recommendations etc.

3.1.2 The reasons reported for Capita’s poor performance include:

a) Capita did not complete all transition activity successfully;

b) Capita under-estimated the scale of legacy under performance of systems and TUPE’d staff and did not act on due diligence finding sufficiently thoroughly;

c) Capita were slow to restructure the inherited staff and is only now putting in place a new permanent team;

d) The account management and service delivery management had not been good enough and both areas have seen changes made as a result;

e) Capita have not provided sufficient business applications support needed for the W3R account e.g. Academy.

3.1.3 Capita anticipated and reported to Outsourced Scrutiny Committee that a significant level of recovery of the contracted Service was to be expected by the end of December 2014 and that substantial progress on delivery of infrastructure improvements could be expected by 31 March 2015.

### **3.2 Account Recovery: Current Position**

3.2.1 An Executive level Recovery review meeting was scheduled for 19 December 2014, however, as Capita only submitted the required recovery progress report on 18 December, the review meeting was rescheduled to January 7 2015.

3.2.2 The Councils Client Section Head, Emma Tiernan responded to the Capita report with a full commentary. The Council believes that progress in the report had been overstated in a number of areas within the report.

3.2.3 Within this meeting Capita agreed that the substantial progress against account recovery they had anticipated had not been delivered and that this was due to the following reasons:

- There was a delay in bringing additional recovery resources onto the W3R account
- Recovery works impacted by the number of day to day incidents

Capita did state that the four months of recovery work had resulted in them having an improved understanding of the gravity of the recovery work required and the focus that was needed to address it.

3.2.4 The Council continues to recognise that Capita have committed additional resources to the W3R account to recover the position. Some recovery work has been completed but the IT service performance from Capita continues to operate at an unsatisfactory level. Therefore on January 30 2015, Manny Lewis, issued a letter outlining the Councils legal position to Nick Sawbridge, Public Sector Director, Capita. The letter stated that Capita has failed to meet the recovery plan activities agreed, as well as failing to meet contractual Key Performance Indicators and their related service thresholds.

3.2.5 Progress against the outstanding recovery activities will be reviewed at the end of February 2015, with a further Executive level meeting. A decision by the Councils in relation to next steps will follow. The Councils priority remains to work with Capita to recover this position.

In respect of the modernise IT programme, Capita is behind schedule on delivery which is now anticipated in June/July this year. However the project management team allocated by Capita for this workstream is making progress.

On a positive note, the Leadership Team reviewed last month the delivery and effectiveness of the Managed Print Service which was a one off Capita project. This project has been successful and has improved the Council's administrative efficiency.

3.2.6 Capita's performance at a high level continues to be monitored through strategic account meetings held every six weeks between Manny Lewis and Spencer Clarkson, Capita's Managing Director (CSIS). The Cabinet Portfolio holder for Resources is kept briefed.

#### 4.0 **IMPLICATIONS.**

##### 4.1 **Financial**

4.1.1 There are no financial implications within this report.

##### 4.2 **Legal Issues (Monitoring Officer)**

4.2.1 There are no legal implications within this report.

#### Appendices

Capita Progress Report – W3R Account Recovery Update.doc – Issued 18 December

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## Outsourced Services Scrutiny Panel: Outstanding Actions and questions

Action to be carried out		Responsibility	Committee Date	Deadline for completion	Target/comments
<b>Performance Report</b>					
PR23	With reference to item LC1 – information to be obtained as to what the complaints related to.	Partnerships and Performance Section Head	26/11/14		SLM to be advised of this and report from Quarter 3.
PR24	With reference to item LC15 - information to be obtained as to how community events at the Watford Colosseum were advertised.	Partnerships and Performance Section Head	26/11/14		This information is being obtained and will be reported to the next available Panel meeting.
<b>SLM</b>					
SLM 16	Head of Corporate Strategy and Client Services to find out what the threshold for 50/50 profit share was and report to the Panel.	Head of Corporate Strategy and Client services	7/1/15		The 50/50 profit share only applies when SLM's actual profit for the year (shown in their annual management accounts) exceeds their forecasted profit (shown in their Best and Final Offer). The difference is then distributed equally. To date this arrangement has only occurred once since the contract started.
SLM 17	The Contract Monitoring Officer to obtain data on leisure centre membership on the basis of age/gender/ethnicity/local resident and report to the Panel.	Contract Monitoring Officer	7/1/15		This information is being obtained and will be reported in next year's (2015/16) quarterly monitoring report.

Action to be carried out		Responsibility	Committee Date	Deadline for completion	Target/comments
SLM 18	Corporate, Leisure and Community Section Head to obtain details of the levels/grades of BME staff employed at the leisure centres and report to the Panel.	Corporate, Leisure and Community Section Head	7/1/15		This information is being obtained and will be reported to the next available Panel meeting.
SLM 19	Corporate, Leisure and Community Section Head to obtain a copy of the annual competency test questions for SLM staff and report to the Panel.	Corporate, Leisure and Community Section Head	7/1/15		This information is being obtained and will be circulated to Panel members separately.
SLM 20	Committee and Scrutiny Support Officer to arrange a visit by the Panel to the Central Leisure Centre.	Committee and Scrutiny Support Officer	7/1/15		Visit to be arranged following Purdha once all amelioration works have been completed at the centre.
<b>Veolia</b>					
VE16	Client Manager to progress the issue of overgrown trees in North Western Avenue (an unadopted road).  <b>Update – Councillor Joynes to discuss with the Client Manager.</b>	Client Manager	26/11/14 and <b>7/1/15</b>		The Client Manager to progress once further information has been received from Councillor Joynes.  <b>Completed.</b>

Action to be carried out		Responsibility	Committee Date	Deadline for completion	Target/comments
VE17	<p>Contract Monitoring Officer to investigate an issue about overflowing bins in Harwoods and Chester Road.</p> <p><b>Update - Head of Corporate Strategy and Client Services to raise with the Contract Monitoring Officer as there may still be problems with the bins.</b></p>	Contract Monitoring Officer	26/11/14 and <b>7/1/15</b>		<p>This bin is emptied daily and the Client Team have asked Veolia to ensure that this is checked more regularly and emptied more often if required. It appears that it is being used for household waste as well as litter which means it is getting full more quickly.</p> <p><b>Veolia and the council are aware that this is a problem area due to local activity. Increased monitoring is taking place in response.</b></p>
VE18	<p>Contract Monitoring Officer to establish how frequently certain subways are cleaned.</p> <p><b>Update - Head of Corporate Strategy and Client Services to follow up with the Contract Monitoring Officer as there may still be problems with the subways. Suggested that a special disinfectant could remove the smell of cat urine – Head of Corporate Strategy to feedback this information to Veolia.</b></p>	Contract Monitoring Officer	26/11/14 and <b>7/1/15</b>		<p>The subway is cleaned once per week on a Tuesday. Veolia are looking to increase the cleansing frequency to twice per week and are going to start using a strong disinfectant in the urinated area to reduce the odour.</p> <p><b>Veolia has ensured cleaning is thorough and anti-bacterial solution is used to reduce odour.</b></p>

Action to be carried out		Responsibility	Committee Date	Deadline for completion	Target/comments
VE22	<p>Client Manager to examine the staffing capacity deployed at the Woodside ward.</p> <p><b>Update - Head of Corporate Strategy and Client Services to raise with the Contract Monitoring Officer as the issue also relates to the removal of litter from alleyways leading to Sheriff Way and Nottingham Close.</b></p>	Client Manager	26/11/14 and <b>7/1/15</b>		<p>An inspection that has identified that the alley way is Watford Community Housing Trust responsibility and we have logged this complaint with them.</p> <p><b>Veolia have explained that this was due to uncertainty over whether some areas (in particular Sheriff Way and Nottingham Close) were WBC/Veolia or WCHT responsibility, as well as a prolonged leaf fall period. This has now been resolved and it is not anticipated that any additional staff are needed at present as long as the required cleansing standards are being achieved, but will monitor the situation.</b></p>
<b>Revenues and Benefits</b>					
RB2	Head of Revenues and Benefits to arrange a briefing for councillors on council tax collection and recovery.	Head of Revenues and Benefits	23/09/14		The Head of Revenues and Benefits will give a presentation at the meeting of the Panel on 12 February 2015.



Action to be carried out		Responsibility	Committee Date	Deadline for completion	Target/comments
<b>ICT Contract</b>					
ICT2	ICT Client Section Head to provide a progress report on the contract to the Panel for the 12 <sup>th</sup> February 2015 meeting.	ICT Client Section Head	22/10/14		The ICT Client Section Head will attend the meeting in February.

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