

**To: East Kent Services Committee  
Wednesday 8th August 2018**

**Subject: EK Services / EKHR Combined End of Year Report:**

**By: Andrew Stevens, Head Of Shared Services**

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## **1. Introduction**

This annual performance report for EK Services (EKS) and EK Human Resources (EKHR) provides a view of key activities and reports against performance indicators within the service level agreements. It will also provide detail on annual financial performance and gives a forward look to 2018/19.

## **2. Overview**

This has been a year of great change within EKS/EKHR.

During the year, a large part of the organisation was outsourced in a partnership arrangement with Civica. More details will be provided later in this report but this was a large and complex project involving over 200 staff and which has led to a fundamental shift in the way that the shared service operates.

At the start of 2017/18 the HR team finalised its restructure which led to a change in leadership and embedding the role of Business Partners. The year finished up with ICT finalising its restructure which led to major changes to its operating model and the introduction of Business Partners.

Given the other changes introduced as part of the Civica outsourcing deal (change in EKS leadership and introduction of a "client" function to manage the contract), it is fair to say no-one within the organisation was left untouched by the significant changes introduced throughout the year.

Despite all of this change, EKS/EKHR finished the year strongly in terms of its performance and has adapted quickly to the new way of working and is ready to provide the best possible service to our partners.

## **3. Performance**

Given the Civica outsourcing deal happened from 1 February 2018 this "performance" section is a little more complicated than previous years. For ICT & HR it is more straightforward as the KPIs remained the same throughout the whole financial year. For revenues, benefits and customer services some of the KPIs changed when the contract started on 1 February 2018. This meant EKS were responsible for meeting them for 10 months and Civica for 2 months. Targets relating to collection of Council Tax, Business Rates etc remained the same pre and post Civica but others such as benefits accuracy, average wait times on the telephone etc changed from 1 February 2018 and were formalised in the contract from that date.

It was a year of strong performance across all areas. All of the ICT and HR KPIs were met or exceeded. In terms of customer services, revenues and benefits, those KPIs that remained unchanged in the switch between EKS and Civica were all met with the exception of “Council Tax collection” for CCC. As mentioned above, these included speed of benefits processing, accuracy of benefits assessment, collection of Council Tax, collection of Business Rates and % of phone calls dealt with by automation.

For “average wait times” on the phone the targets for this KPI changed on 1 February 2018. Whilst EKS were not on course to meet their targets as at this date, Civica did meet the new targets set by 31 March 2018 for CCC and DDC but fell very slightly short of the TDC target (effectively, Civica targets were set as actual EKS performance levels during a fixed point during 2017/18).

The full list of KPIs are included below for reference:

### **EKHR KPIs**

Council	Activity	Target	Performance	Met ?
ALL	Increase in onsite activity	25%	31%	✓
CCC	Manager induction attendance	80%	100%	✓
DDC	Manager induction attendance	80%	100%	✓
TDC	Manager induction attendance	80%	100%	✓
ALL	Telephone calls resolved at first point of contact	85%	97%	✓
ALL	Quality check of phone calls	90%	97%	✓
ALL	EKHR forms fit for purpose	80%	96%	✓
ALL	Issues resolved within 3 days	90%	100%	✓
CCC	Case commissioner contact	90%	100%	✓
DDC	Case commissioner contact	90%	91%	✓
TDC	Case commissioner contact	90%	100%	✓

**ICT KPIs**

Council	Activity	Target	Performance	Met ?
CCC	% incidents resolved within SLA	95%	96%	✓
DDC	% incidents resolved within SLA	95%	98%	✓
TDC	% incidents resolved within SLA	95%	96%	✓
CCC	% incidents resolved in 1 day	50%	73%	✓
DDC	% incidents resolved in 1 day	50%	76%	✓
TDC	% incidents resolved in 1 day	50%	73%	✓
CCC	% incidents resolved in 3 days	80%	84%	✓
DDC	% incidents resolved in 3 days	80%	87%	✓
TDC	% incidents resolved in 3 days	80%	86%	✓
ALL	% availability - email	97.5%	99.95%	✓
ALL	% availability - Finance System	95%	100%	✓
CCC	% availability - website	99.5%	99.98%	✓
TDC	% availability - website	99.5%	99.95%	✓
CCC	% availability - Info@Work	95%	100%	✓
CCC	% availability - Citrix	97.5%	100%	✓
DDC	% availability - Anite	95%	100%	✓
DDC	% availability - Citrix	97.5%	99.98%	✓
TDC	% availability - W2	95%	100%	✓
TDC	% availability - Citrix	97.5%	99.98%	✓

**EKS/Civica KPIs**

Council	Activity	Target	Performance	Met ?
CCC	Speed of benefits processing	8.50 days	8.41 days	✓
DDC	Speed of benefits processing	8.50 days	6.27 days	✓
TDC	Speed of benefits processing	9.00 days	8.48 days	✓
CCC	Accuracy - benefits	96%	96.22%	✓
DDC	Accuracy - benefits	96%	99.54%	✓
TDC	Accuracy - benefits	96%	97.39%	✓
CCC	Council Tax collection	98.80%	98.52%	X
DDC	Council Tax collection	97.80%	97.87%	✓
TDC	Council Tax collection	96.10%	96.30%	✓
CCC	Business Rates collection	99.50%	99.89%	✓
DDC	Business Rates collection	98.20%	99.02%	✓
TDC	Business Rates collection	98.20%	99.13%	✓
CCC	% of calls automated	45%	50.61%	✓
DDC	% of calls automated	40%	44.81%	✓
TDC	% of calls automated	40%	41.95%	✓
CCC	Average call wait	80 secs	75 secs	✓
DDC	Average call wait	90 secs	88 secs	✓
TDC	Average call wait	90 secs	91 secs	X
CCC	Customer satisfaction	96%	96.08%	✓

#### **4. Customer Delivery highlights (superseded by Civica from 1 February 2018)**

Understandably, much of 2017/18 was spent delivering the project which would transfer the vast majority of Customer Delivery staff to Civica. However, there were many other achievements and work-streams delivered during the year which are worth mentioning here.

The digital agenda moved at a fast pace during 2017/18. This involved reshaping our customer service function across all councils to reflect changing customer demands and decreasing footfall as well as offering new ways for customers to access our services.

During 2017/18 we stopped face to face customer service at Aylesham, Deal, Sandwich, Ramsgate and Herne Bay. DDC made arrangements for Age Concern Sandwich and CAB Deal to provide an alternative service. A number of “user testing” sessions were held during 2017/18 where we invited customers in to give us direct feedback on a number of areas of our business such as our web content, forms, letters etc. This was brought to life by using the “Eye Tracking” equipment and software which was purchased following a successful funding bid to the DWP.

“Risk Based Verification” (RBV) was introduced to make benefits administration more efficient. RBV helps secure the benefits system against the minority of people who attempt to defraud it whilst at the same time making it simpler to access for the majority of customers.

Sessions were held to help people become more confident online with community organisations such as Age UK/Concern, Bechange and Speak Up. There is clear evidence that groups such as older people, people with disabilities and poorer people face additional barriers going online and this is what we were looking to address working in partnership with other, established community and support groups.

We introduced the digital benefits system towards the end of 2017/18. This is an intuitive, responsive system which allows people to claim Housing Benefit and Council Tax Support 24/7 from any device and also allows them to upload documents to their claim. Customer reaction to this has been very positive and hundreds of people have used this new system to submit their claim.

We won a prestigious MJ award in the category of “Behaviour Change” despite being up against some strong opponents. This was a particular highlight of the year and staff who had worked on the project were given the opportunity to attend the awards evening alongside representatives from the councils.

We were named as “finalists” by the IRRV in the award categories of “Excellence in Partnership Working” and “Excellence in Social Inclusion” but unfortunately didn’t win.

## 5. ICT highlights

2017/18 presented another busy year for the ICT service who continued to provide a high level of performance and through the various activities that have taken place, including the Civica partnership, the service have continued to make further financial savings.

The ICT Restructure has now been confirmed and finalised. The final structure has considered the views and needs of all councils and the need to adapt to changing technology.

The new Telephony system is currently under review following concerns around technical glitches and quality of devices. Whilst this review is running the new telephony system is being enhanced with the introduction of new softphone software, and various fixes for known problems.

The Software Support team completed more than twenty major projects across the partnership during 2017/18, alongside day to day work applying upgrades and fixing issues with the 140 business systems used across the partnership.

ICT supported more complex partner projects including Thanet's introduction of Capita epayment products, a relocation for Marlowe Theatre administrative staff and the outsourcing of Canterbury's Building Control Department to the South Thames Gateway partnership.

All partners are now fully migrated to the new GIS system and 'My Neighbourhood' mapping has gone live with assistance also provided with local plan mapping and the development of multiple GIS apps facilitating data collection.

Thanet migrated to Google G Suite, which is now the primary email and productivity suite. Data migration took place between Xmas and early January this year. Work continued with Canterbury to transfer their service accounts to Google and use of Google services are now being explored for meeting room bookings and staff directory functions. ICT has since migrated to Google and planning is underway for Civica staff to move near the end of the year.

Major upgrades to the Citrix environment that supports remote working took place providing key computing for Chromebooks that are being trialled by all partners.

Network security was enhanced by the introduction of new equipment for Firewalls and Internet filtering services. Recommendations are being prepared for councils for the introduction of further security of Google accounts that can use text messages, an app or other means to validate an account login.

GovRoam WiFi (single wifi across government) became available across the partners and improvements to WiFi services, in particular public WiFi, have been looked at, with Kent Public Service Network (KPSN) expected to develop an offering on the latter.

## 6. HR highlights

It has been a busy and successful year for EK Human Resources as we have continued our efforts to provide improved support to our clients through aligning client feedback to our KPI's.

Our efforts have evoked a very positive response as we sought to increase the presence of HR across the sites; simplify management policies and processes; deliver meaningful and intelligent data analysis of workforce data and emphasise customer focus in all that we do.

HR Inductions were launched in August and have been a useful way to promote the work that HR do, arm managers with helpful tools such as East Kent People functionality as well as providing a platform to introduce the team.

Operationally we have made good use of the apprenticeship levy by welcoming a Digital HR Apprentice to the team which has enabled us to free up resource to focus on other projects.

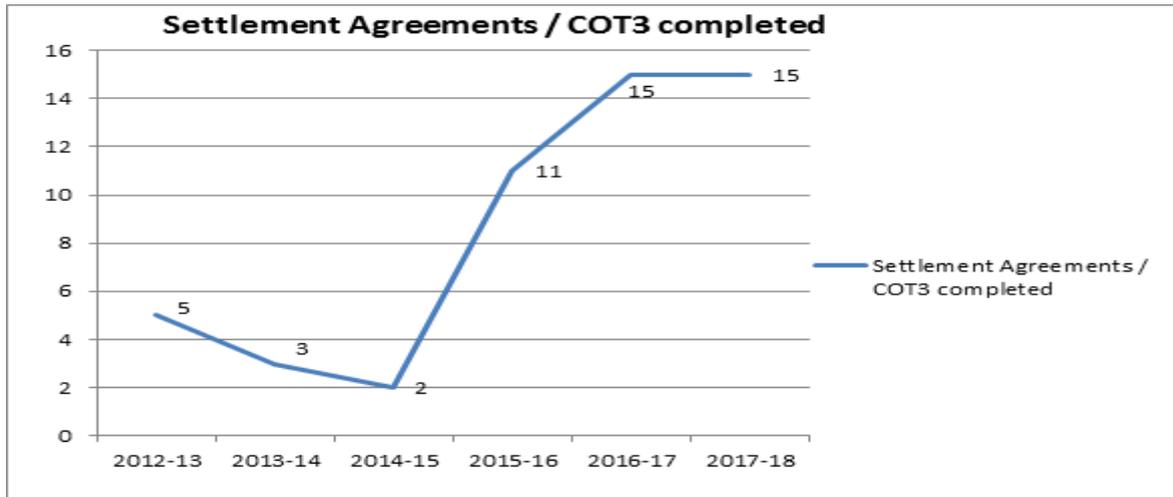
In March of this year, we attended the Kent CIPD Awards after being shortlisted and came runner up as 'HR Team of the Year' which has helped to raise our profile and motivation across the team.

The Civica TUPE took significant resource and planning across all teams in EKHR and was successfully implemented back in February this year due to huge efforts across EKHR and EKS. The main work streams that were identified and worked upon were:

- The application and set up of the Admitted Body Status; which involved capturing pensions data for all employees that were due to transfer. This took a large amount of coordination when the scope of the transfer changed as this affected the numbers who were due to TUPE and subsequent reports needed to be merged to collate a final list for submission. Civica then requested Due Diligence information over December and January which took considerable time for two HR Advisors to pull together.
- The Employee Liability Information was collated and discrepancies dealt with between EKS Finance and Payroll information.
- EKHR led on HR-related activity during the informal consultation stages. The formal consultation was launched on 4th December 2017 and lasted until 22nd January 2018. During this time, three meetings were held with the Trade Unions and the Staff Panel. Six briefings were held and three days of 1-2-1 meetings were arranged. The HR Advisor and/or the Business Partner attended all meetings to support this process.

Restructures increased across all clients during 2017 - 2018 and this seems to be a recurring trend for 2018 - 2019 also. The most complex of these being the TDC Corporate Restructure and CCC Senior Management as it required a significant amount of high level advice and expertise from Business Partners and the HR Advisory team.

EKHR have seen a year on year increase in the use of settlement agreements as part of exit strategies for high risk employees. Using in-house expertise, EKHR have drafted, negotiated and settled all agreements whilst delivering an approximate client cost saving of £1200 per agreement in external legal costs (approx. £18K).



We have also supported on three Employment Tribunal cases during 2017-2018. It is predicted that ET cases will increase during 2018 - 2019 due to the removal of the individual having to pay upfront ET fees. This work has been absorbed into the EKHR, where previously this would have been handled by in-house legal teams. Due to the increase in numbers, we may need to look at how we continue to support on this activity going forward.

The personnel document storage project has now been successfully completed with the launch of Document Manager and this system will assist in each of the clients remaining GDPR compliant going forward.

E-Recruitment is still in progress with phase one being implemented in Summer 2018. However, a lot of the initial scope, system build and work streams were identified back in late 2017.

EKHR have assisted all partners in introducing the changes imposed by the Apprenticeship Levy which came into force in April 2017. This called for all partners to assess their approach to hiring apprentices to ensure offset of the levy against apprentice targets.

There has been a huge amount of work to assist with the Marlowe Theatre moving to a Charitable Trust, which is due to happen in August 2018. Workstreams have been identified, resource allocated and agreed in order to support with implementation.

## 7. Finance

EK Services were underspent for financial year 2017-18 by £179.8k. The funds have been moved to the EKS reserves in order to replenish these for future commitments. You will see on the table below that the level of reserves available dropped significantly in 2017/18 and 18/19 commitments reduce these levels even further.

### EKS Reserve movements

	EKS Reserve	CIGG Fund
<b>Opening Balance</b>	<b>400,410</b>	<b>110,000</b>
<b>Funds used in 2017-18:</b>		
Strategic Partnership project - legal fees	(11,362)	-
Strategic Partnership project - management support	(46,005)	-
Strategic Partnership project - HR support	(13,520)	-
Interim Finance Manager	(5,320)	-
Gartner subscription	(49,100)	-
HR Document storage system	-	(43,210)
GDPR advice (Cornerstone)	-	(5,200)
Network monitoring subscription - Year 1	-	(1,280)
Anti-virus software subscription - Year 1	-	(6,254)
Top Up from year end underspend	179,790	-
<b>Current Balance</b>	<b>454,893</b>	<b>54,056</b>
<b>Earmarked for committed future spend:</b>		
Exit/severance costs	(76,090)	-
IEG4 Year 1 costs	(71,000)	-
Interim Finance Manager	(10,250)	-
Post Contract document	(6,000)	-
Civica One-Off Payments (CoL, PFC + IEG4)	(152,800)	-
Jadu Upgrade	(7,200)	-
MS server licences	(8,630)	-
HR document storage system	-	(13,840)
Network monitoring subscription - Years 2-6	-	(8,320)
Anti-virus software subscription - Years 2-4	-	(21,880)
<b>Balancing remaining</b>	<b>122,923</b>	<b>10,016</b>

The current level of uncommitted reserves available to EKS is £122,923. Compared to previous balances and taking into account the new Civica contract it is prudent to keep this sum available to EKS to meet any unexpected expenditure in 18/19.

## EKHR Outturn

EKHR generated an underspend of £73k. EKHR are carrying forward the £73k into 2018-19. This has been retained by EKHR to cover planned expenditure such as maternity leave cover, East Kent People systems development, GDPR costs, e-recruitment system etc. I would expect this underspend to be fully used on these one-off projects by the end of 18/19.

This has been held within DDC accounts on the following split:

	£'000s
CCC	26.2
DDC	15.6
TDC	31.2
<b>Total</b>	<b>73.0</b>

## 8. Audit, Scrutiny & Reporting

EKS/EKHR was subject to a number of internal audits during 2017/18. The table below provides more information about what was carried out and the assurance levels given:

<b>EKS reviews</b>	
Housing Benefit payments	Substantial assurance
Business Rates	Substantial assurance
ICT - Data Management	Substantial assurance
ICT - Procurement and Disposal	In progress
<b>EKHR reviews</b>	
Payroll	In progress
Employee allowances and expenses	In progress

There were also a number of “follow up” audits which took place as well as the routine Audit testing on accuracy of Housing Benefit assessments.

Based on the Audit work carried out during 2017/18 the overall opinion is that there are no major areas of concern which would give rise to a qualified audit statement regarding the systems of internal control, concerning either the main financial systems or overall systems of corporate governance.

## 9. Looking forward to 2018/19

It is clear that EKS/EKHR looks very different at the start of 2018/19 than it did a year ago. Although the organisation is split into three teams; ICT, HR and Client Services, it is critical that these teams work closely together to ensure the whole organisation succeeds. This will then help our partners achieve their goals too. We are already seeing this closer working happening and realising the benefits from this which is really positive.

The new EKS/EKHR management team consists of:

Andrew Stevens - Head Of Shared Services

Sean Hale - Chief Information Officer

Julia Crawford - Head Of EKHR

Carolyn Knight - Client Services Manager (see note below on "Client Services" team)

A new team was created within EKS following the Civica outsourcing which will play a significant role in 2018/19. As well as delivering the Purchasing function for all IT software and hardware on behalf of the partnership and EKH, the Client Services team also provides Quality Assurance (QA) and Client Officer functions. Since the contract with Civica went live on 1 February, the Client Team have maintained regular contact with the Civica Partnership Director regarding operational issues and queries, and monthly Contract Management Boards/ quarterly Contract Strategic Boards are in place to oversee the operation and to provide strategic guidance as necessary. Examples of operational issues that have been dealt with by the Client Team include performance monitoring and issue resolution, policy and process reviews, budget allocation queries and data protection breaches. The QA team carry out 10% checks on benefit assessment calculations and ensure that any quality issues are flagged with Civica immediately. They also carry out enhanced quality assurance work during the annual benefits subsidy audit which reduces the cost to the councils.

Although EKS is a smaller organisation moving forward, the functions we carry out remain critical to the success of our partners. The pace of technical and human change is increasing and a high performing and responsive ICT and HR function is essential to support this. We also have a high value and complex contract with Civica which needs careful management to make sure the councils achieve the financial and social benefits expected and Civica are helped to succeed. We are already seeing increased synergy between the teams within EKS and expect this to continue and improve further in 2018/19.

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