



POLICY AND RESOURCES SCRUTINY COMMITTEE – 31ST MAY 2016

SUBJECT: YEAR END PERFORMANCE REPORT FOR CORPORATE SERVICES

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 To provide Members with a performance update for Corporate Services. This involves taking a look back over the last twelve months of our performance highlighting the exceptions and then looking forward i.e. future challenges, setting out our key objectives/priorities for the next twelve months, identifying areas for improvement.

2. SUMMARY

- 2.1 During 2015/16 there was evidence of excellent performance, but also an area of poorer performance. Members are reminded that it is important for officers to take an honest approach to this process to ensure areas that require improvement are identified and supported. 2016/17 will continue to be driven by the need to deliver better services with less resource.

3. LINKS TO STRATEGY

- 3.1 Corporate Services provide direct and indirect support to all of the Corporate Priorities and Improvement Objectives.
- 3.2 The Well-Being of Future Generations Act 2015 places a number of legal duties on public bodies in Wales to meet the legally binding 'common purpose' for 7 Strategy Well-Being goals. This report links into each goal as follows (this has been based on an incremental approach/view):-
- A sustainable Wales – delivering services in accordance with available resource. Reducing assets to a sustainable level. Maximising income collection to support service provision. Ensuring the most appropriate use of our third party spend to address sustainable alternative goods and material whilst developing and enhancing local supply chains.
 - A prosperous Wales – prompt processing of Council Tax and Housing Benefits, ability of residents to access key services and support either digitally or face to face via customer contacts. Effective use of third party spend to foster engagement of local supply chains which will facilitate regeneration opportunities in and around the borough. Effective use of appropriate Community benefits will support jobs and community engagement.
 - A Healthier Wales – no direct links to Corporate Services, although support is provided to those front line services that deliver this goal. Ensure where appropriate all contracts reflect requirements which contribute to the Healthy Wales agenda.

- A more equal Wales – ensuring all groups including vulnerable and hard to reach have access to the Authority. Procurement, Customer Services and IT play a key role.
- A Wales of cohesive communities –Corporate Services facilitates the delivery of this goal via front line services
- A Wales of vibrant culture and thriving Welsh language – compliance with Welsh language standards raised as a challenge
- A globally responsible Wales – rationalisation of assets should reduce carbon footprint. Developing sustainable supply chains who are globally and socially responsible will assist with the over-arching principles.

4. THE REPORT

4.1 A summary is provided for each service area of Corporate Services below.

4.2 Corporate Finance

4.2.1 Overview

The services provided by Corporate Finance are essentially twofold. The Council Tax/Business Rates, Housing Benefit/Council Tax Reduction and Income Sections provide front-line services to the public. In addition to this, a range of support services are provided to every Directorate of the Council and these include Accountancy, Treasury Management, Payments, Insurance & Risk Management and Internal Audit.

Corporate Finance has 178 full-time equivalent (FTE) staff split - 81 FTE frontline and 97 FTE support services and some of these are based in the larger Council Directorates enabling the delivery of some financial services to be devolved.

4.2.2 What Went Well?

- a) The various teams within Corporate Finance continued to perform well during the 2015/16 financial year and all statutory targets were met. This has been achieved against a backdrop of downsizing many teams to address budget cuts.
- b) The various Corporate and seconded Accountancy Teams have played a pivotal role in supporting Heads of Service to identify and develop savings proposals to support the Council's Medium-Term Financial Plan (MTFP). This working relationship has been strengthened further during the last year due to the need to respond to the unprecedented cuts in funding.
- c) Effective financial planning and robust budget monitoring arrangements have helped the Authority to manage its financial affairs. We have continued the trend of delivering balanced budgets and identifying many savings in advance of need.
- d) The following table provides a summary of the key performance measures for Corporate Finance: -

Description	2013/14		2014/15		2015/16	
	Target	Actual	Target	Actual	Target	Actual
Percentage of total Council Tax due for the financial year received by the Authority.	96.5%	96.4%	96.5%	96.7%	96.8%	97.0%
Percentage of total non-domestic rate (NNDR) due for the financial year received by CCBC.	96.6%	96.8%	97.0%	97.0%	97.2%	97.7%
Time taken in days to process housing benefit change events and new claims.	14	11.58	14	9.90	14	12.54
The number of housing benefit interventions completed per annum as a percentage of total caseload.	20%	20.12%	20%	19.46%	20%	21.77%
Sundry debtors collected within 3 months as a % of amounts due.	96%	98.6%	96%	98.2%	96%	97.7%
Percentage of undisputed invoices which were paid within 30 Days.	95%	93.26%	95%	95.5%	95%	94.01%
Average number of calendar days to make payment of undisputed Invoices to SME's.	13.00	14.26	13.00	12.2	13	13.93

- e) It is pleasing to report that 97% of all council tax bills issued for the 2015/16 financial year were collected in full, which is the highest amount achieved since Caerphilly CBC was formed in 1996. In each of the last 2 years the amount collected has increased by 0.3% and over a 3-year period collection rises to 99.5%, which means that the vast majority of residents do pay in full.
- f) During 2015/16 the Welsh Government commissioned KPMG (in partnership with the Chartered Institute of Public Finance & Accountancy (CIPFA)) to prepare a report on 'Administrative Costs in Welsh Local Authorities'. This review focussed on actual costs for the 2013/14 financial year and considered the full range of support services provided within Local Authorities. The report arising from the review generally reflected positively on Corporate Finance as demonstrated below: -

Description	CCBC	Wales Average
Cost of Finance per £1000 Gross Revenue Expenditure (GRE)	£8.17	£9.55
Cost per Invoice	£3.89	£3.53
Internal Audit – Cost per Chargeable Day	£258	£265
Housing Benefits – Cost per Weighted Case Load	£37.68	£45.57
Council Tax – Cost per Banded Dwelling	£12.00	£17.76

- g) The Society of Welsh Treasurers (SWT) is currently in the process of producing a new administrative costs benchmarking exercise through CIPFA which will focus on 2016/17 budgets and a report is expected by September 2016. It is anticipated that this will demonstrate the significant savings that Authorities have made since 2013/14 on “back-office” functions.
- h) During the 2015/16 financial year the Corporate Services Senior Management Team undertook an internal survey to determine satisfaction levels with the services provided by the Directorate of Corporate Services. There were 25 responses to the survey and the following results were revealed for the services provided by Corporate Finance: -
- 89% of those who have recently contacted Accountancy were very satisfied or fairly satisfied with the overall service provided.
 - 100% of those who have recently contacted Sundry Debtors & Cashiers were very satisfied or fairly satisfied with the overall service provided.
 - 94% of those who have recently contacted Internal Audit were very satisfied or fairly satisfied with the overall service provided.
- i) The audit and regulatory reports in relation to the services provided by Corporate Finance have generally been positive: -
- The annual external audit of the NNDR3 Return in 2015/16 was completed without any qualification or comment to the Welsh Government.
 - Following the external audit of the Authority’s 2014/15 financial statements, the auditors (PwC) included the following comments in their ISA260 Report to the Audit Committee: -

“We have no concerns about the qualitative aspects of your accounting practices and financial reporting. We found the information provided to be relevant, reliable, comparable, material and easy to understand. We concluded that accounting policies and estimates are appropriate and financial statement disclosures unbiased, fair and clear.”

“We have not encountered any significant difficulties during the audit to date. We received information in a timely and helpful manner and were not restricted in our work.”

“We did not identify any material weaknesses in your internal controls”
 - HMRC regard Caerphilly CBC as a low risk Authority and as a consequence they do not impose as rigorous an inspection regime on us as those Authorities regarded as a high risk.
 - Internal Audit reports on financial systems have not reported any major issues.
 - The Council’s Insurance Team now handle motor claims in-house dealing with in excess of 500 claims per annum with a value of circa £1.5m. Our claims handling processes were recently subject to an external review by Gallagher Bassett. This resulted in an exemplary rating with an overall assessment score of 97.7%, which is a significant achievement.

4.2.3 Future Challenges/Areas that need improvement as they did not go well

- (a) The average time taken to process housing benefit change events and new claims was 10.96 days for 2015/16 (9.90 days in 2014/15). This dip in performance needs to be considered in the context of ongoing reductions in DWP funding and the significant IT downtime experienced during 2015/16 following the rollout of iGels. The IT systems used by the Benefits Section play a major part in performance so the Acting Director of

Corporate Services & Section 151 has recently agreed to replace circa 40 iGels with PCs.

- (b) One respondent to the internal survey undertaken by the Corporate Services Senior Management Team highlighted capital budget monitoring as an area that can be improved. The Interim Head of Corporate Finance and the Acting Director of Corporate Services & S151 Officer have acknowledged that this is an area that would benefit from a review and as such this has now been included as a priority in the Corporate Finance 2016/17 Service Plan.
- (c) The ongoing austerity programme will require additional savings to be delivered. It is anticipated that the Authority will need to find further total savings of around £25m for the period 2017/18 to 2020/21. There is a risk that this savings requirement may be higher due to emerging issues arising from the National Living Wage, the Apprenticeship Levy and changes to the Revenue Support Grant (RSG) funding formula.
- (d) There will be significant demands on finance staff arising from the need to support Heads of Service and Service Managers to identify savings. This may present risks in relation to capacity and the need to ensure that core functions are still delivered and statutory deadlines are met.
- (e) Full implementation of Universal Credit could impact on customers' ability to pay Council Tax.
- (f) It is anticipated that the statutory deadline for the production of the Council's Draft Accounts will be reduced by one month to the 31st May from the 30th June. Furthermore, the statutory deadline for the completion of the external audit of the Authority's accounts will be reduced by two months to the 31st July from the 30th September. These changes have already been agreed in England and are currently being considered by the Welsh Government. If the changes are agreed for Wales they will be phased in from the 2018/19 financial year and will present significant challenges to maintain the quality and accuracy of the financial accounts. The Corporate Accountancy Team is being proactive in dealing with this potential change and is working closely with the external auditors (Grant Thornton) on a trial basis to aim to complete the audit of the 2015/16 accounts by the 31st July 2016. The auditor's report will then be presented to the Audit Committee and Council in September 2016. If this goes well we will aim to complete the audit of the 2016/17 accounts and secure Council approval of the accounts by the end of July 2017. We will then be meeting the revised statutory deadlines well in advance of them being formally implemented.
- (g) The introduction of the CIPFA Public Sector Internal Audit Standards and the internal demands on the service will need to be carefully managed as we move forward. Client engagement will be crucial to ensure that priority areas are identified for review.
- (h) The ongoing austerity programme will continue to impact upon Corporate Finance in two ways. Finance Teams will need to identify their own further savings and will also need to support frontline services in meeting their savings targets. Finance staff will be called upon to assist in the review of services including supporting the Improving Services Programme.
- (i) The Social Services and Wellbeing (Wales) Act will introduce new legislation in respect of charging for social care. The Act will necessitate a move to new models of social care which will need to be supported by costed business cases and sound financial governance.
- (j) The Well-Being of Future Generations Act 2015 will need to be incorporated into financial planning processes.

4.3 Communications, Health & Safety, Human Resources

4.3.1 Overview

Following changes to the Council's Leadership Team, Health and Safety and Human Resources are now managed by the same Head of Service and as a result of changes within IT, the Communications team is temporarily managed by the Acting Head of Human Resources and Organisational Development. These changes have been welcomed and provide the opportunity for the three teams to support the Council with the change agenda. Staff are allocated as follows:-

Communications	14 FTE
Health & Safety	28 FTE
HR & Payroll	63 FTE

4.3.2 What Went Well?

(a) The KPMG Administrative Cost review, June 2015, included a cost and activity analysis of HR and Payroll. At the time the review was undertaken, HR within Caerphilly was the fourth highest in terms of cost of HR activity and cost of HR per employee of the 22 Local Authorities in Wales. However, should this exercise be undertaken again now, the cost would be considerably lower due to the number of posts taken out of the structure to balance the budget at the start of 2016/17 and also to achieve the MTFP savings targets. The Payroll expenditure per employee was lower than the Welsh average and also the Payroll expenditure per payslip was lower than the Welsh average.

(b) Performance Indicators are as follows:-

% of agency workers with over 2 years service (HRA) as at 31.03.16 **7.03**

% of agency workers with over 2 years service (non HRA) as at 31.03.16 **2.93**

Number of leavers in 2015/16 (non schools):

Early Retirement	13
Voluntary Severance	53
Compulsory Redundancy	16
(14 as a result of end of fixed term contract)	

% payments submitted on time to HMRC, Local Government Pension Scheme, Teachers Pension **100**

% RTI files submitted on time **100**

(c) Payroll was one of the 23 employers out of the 63 that the Greater Gwent administer Pensions for (32% of the membership), that provided the Pension Fund with the information that they required by the deadline of 30 April 2015, to reconcile the individual members records and prepare the Annual Benefit Statements. This was an excellent achievement from Payroll as the introduction of the new CARE scheme complicated requirements, but it meant that all CCBC members of the LGPS had an Annual Benefit Statement, unlike some other organisations.

(d) The Council is leading the way in Wales with its successful use of social media and other digital channels to engage and communicate with residents and other key stakeholders. The Communications team has played a strategic role in leading the Authority's public consultation and engagement agenda on major pieces of work including the MTFP consultation, Household Survey, Velothon consultation, etc.

- (e) A survey undertaken amongst Management Network and Members, to assess levels of satisfaction with the services provided to internal clients prior to Christmas 2015 and the services were rated as follows in terms of important and very important:

Communications	96%
Health and Safety	92%
Human Resources	79%
Payroll	88%

- (f) All Schools buy the Health and Safety, Payroll and Human Resources SLA's and we are looking at an SLA with Schools for the Communications team for the next financial year. In addition, 65 Primary Schools bought an additional SLA with Health and Safety, which was offered for the first time and feedback from the Schools that bought this additional SLA evidenced 99% overall satisfaction.
- (g) An SLA service was established with Cardiff City Council for the provision of Health and Safety Management support and advice services in 2016 following their approach to the Council. There are potential opportunities over the next 3 years to bring more money in to CCBC as a result of the SLA with Cardiff City Council, especially around training, Schools SLA Service, Fire Risk Assessments and possibly Occupational Health.

4.3.3 **Future Challenges/Areas that need improvement as they did not go well**

- (a) Changes to legislation that impact on the business of each team.
- (b) Potential reputational risks to the Council from matters in the public domain as detailed in this document.
- (c) Prepare for the introduction of the Well Being of Future Generations (Wales) Act 2015 and the impact that will have on the three service areas.
- (d) Delivering the HR Strategy as this is a key outstanding action following the Review of Corporate Governance.
- (e) Downsizing the workforce in the light of reduced spend in a sensitive manageable way i.e. having fit for purpose policies.

4.4 **Performance Management**

4.4.1 **Overview**

Performance Management arrangements have continued to be strengthened across the council and those improvements have been recognised by WAO. In particular a process of self-evaluation has been further developed and has improved individual service planning. Challenge sessions led by the Interim Chief Executive and Cabinet Member for Performance Management, Property and Asset Management were undertaken to review the self-evaluation reports.

The council has continued the use of its Ffynnon data base to communicate performance across the authority. It is widely used at service level and for informing members of performance matters. The data base was initially fully financially supported by WG but that support has been withdrawn.

The Performance Management Unit (PMU) has naturally involved itself in the introduction of the Well Being of Future Generations (Wales) Act 2015 and fully anticipates that the Act and the formation of the Public Service Board will have a significant impact on the future direction of its work.

The way the council communicates performance via statutory performance reports produced by the PMU for the public (Corporate Plan and Annual Performance Report) has been recognised in an independent survey to be amongst the best in Wales.

4.4.2 **What Went Well?**

- (a) Data quality has improved and compliance with all statutory improvement requirements such as publication of the council's Corporate Plan and the annual Performance Report completed within the appropriate time limits.
- (b) Internal training delivery responses are good.
- (c) Self-evaluation has been strengthened.
- (d) WAO has provided positive feedback on compliance. There have been no disqualifications on Performance indicators and the Auditor General's Annual Improvement Report (AIR) on the council was again positive, or at least as positive as these reports ever are.
- (e) The way the authority communicates performance (via the PMU) has been recognised in an independent survey commissioned by WG as being amongst the best in Wales.
- (f) Performance Management arrangements continue to be strengthened. For example Risk Management is higher in profile with key Corporate risks being reported to CMT/Cabinet and Audit Committee. The PMU has developed and published a Performance Timetable for the year to inform staff and other stakeholders of what is required and by when.
- (g) In a recent survey 84% of respondents rated the PMU as very important or important.
- (h) Ffynnon has been retained and is used extensively to communicate service performance to CMT/Cabinet and across services. Performance information is also provided regularly at Scrutiny, particular in relation to progress with Improvement Objectives. Ffynnon performance data is used in this report.
- (i) The Council has re-introduced Performance Management Scrutiny meetings.

4.4.3 **Future Challenges/Areas that need improvement as they did not go well**

- (a) There is a need to move from measuring compliance to supporting service improvement.
- (b) Prepare for the introduction of the Well Being of Future Generations (Wales) Act 2015 and the impact that will have on Performance Management and the Regulator's approach to monitoring/evaluation.
- (c) The introduction of the new Public Services Board and the unknown additional demands, if any, that may have on the PMU.

4.5 **Property Services**

4.5.1 **Overview**

Considerable progress has been made in the management of the council's Land and Building Estate since the development of the Council's Land and Building Strategy 2012. One of the key recommendations within that strategy was to introduce and develop a Corporate Landlord approach whereby responsibility for managing land and buildings was transferred from individual directorates to the corporate centre. This has enabled building users to focus upon service delivery by relieving them of building maintenance issues. Additionally the

centralisation of budgets has realised building condition improvements and cost savings due to economies of scale. Transfer across all building portfolios is not complete and is continuing.

Asset Management is at the forefront of the council's transformational changes. The closure of Pontllanfraith House and the alternative service provision arrangements that facilitated that closure has demonstrated that significant budget savings can be secured by challenging the way we work without reducing service provision.

Increasingly our schools are accessing Property Services' contract framework for building maintenance. A large proportion of Head Teachers are realising that working with Property Services and through the framework construction risks are greatly reduced and they are not exposing themselves to personal accountability by commissioning work independently.

4.5.2 What Went Well?

- (a) Corporate office rationalisation has gone extremely well. Pontllanfraith House was closed as planned in February 2016 realising a saving of £100k in 2015/16. A further £500k will be saved in 2016/17.
- (b) The site is currently being advertised for sale and the interest level is high.
- (c) Officers have successfully been relocated to Penallta/Tredomen and Tir-y-Berth.
- (d) Dyffryn House has been sold (subject to contract).
- (e) The value of Capital receipts from the disposal of land and buildings for 2015/16 is £883,710.
- (f) Property Services has produced a State of the Estate report which will be presented to Scrutiny in October. The report mirrors reports produced by central government and WG. Depending on how it is received the intention is that it will become an Annual Report.
- (g) Headline data from the report includes:
 - £4,099,637 capital receipts achieved from freehold disposal between 2011/16.
 - £2,280,770 NNDR savings achieved between 2011/16. Savings totalling £4,109,616 had been achieved prior to 2011. These savings include schools.
 - Carbon emissions reduced by 2,299 tonnes.
 - The useable net internal area of our key office accommodation (based on top three sites) has been reduced by 28.94%.
 - We now allocate an average of 6.65 sq.m. floor space to each workstation. The recommended workstation size to promote efficient space planning on office buildings is considered to be 6.5 sq.m. per workstation.
 - Office accommodation costs have reduced by 18.18% between 2014/15 and 2015/16.
 - The condition of our worst performing buildings (categories C+D) has improved by 61% from 2014/15 to 2015/16. This is partly due to improved survey information measurement.
- (h) Responsibility for the management of Statutory Testing and consequent remedial actions has been centralised to the Head of Property. The council has targeted a significant amount of outstanding remedial actions for electrical/legionella and gas and with the support of the Health and Safety (H&S) team brought the level of outstanding actions under control.

- (i) The centralised building Response Repairs team has established a supplier framework and processes circa 10,000 requests a year. It is comforting that this service is increasingly being used by our schools and offers them greater protection when dealing with Asbestos and other H&S issues as well as ensuring compliance with the new Construction, Design and Management (CDM) rules.

The following Reactive Maintenance KPI results were recorded for 2015/16:

- % of **Priority 1** requests responded to on time (within 2 hours) **95%** (1132/1192)
- % of **Priority 2** requests responded to on time (same day) **96%** (1589/1659)
- % of **Priority 3** requests responded to on time (within 24 hours) **94%** 4018/4268
- % of **Priority 4** requests responded to on time (within 5 working days) **94%** (742/792)
- Customer Service rated as good or excellent – 100%

- (j) Benchmarking:-

- The Building Consultancy compares its fee charges with others. Typically its fee average is 11.25% of Project Cost compared to a Private Provider at 12.15%. Additionally the build costs of the capital projects delivered by the Building Consultancy are compared to those delivered by other authorities. The build cost of the schools delivered in house is amongst the most economic in Wales.
- In terms of FM we have compared our salary costs with similar public services such as the Local Health Board (LHB) and found them to be very competitive. Similarly Asset Management has compared its salary base with the District Valuer's office and found it to be competitive.
- Property data is benchmarked across Wales via National KPIs. It is difficult to gain an overall comparison position but the improvements identified in paragraph 3 leaves the council well placed.

- (k) Property Services has worked with Natural Resources Wales (NRW) to bring forward the Risca Flood Alleviation Scheme. Works commenced in September 2015 and are scheduled for completion by June 2016. The scheme is part funded by the Council and on completion will reduce the number of properties in Risca subject to flooding in an extreme event from 752 to 459, a difference of 293 properties. Additionally land previously blighted by potential flooding could become developable.

- (l) Phases 1-3 of the school development at Y Gwindy (formerly St Ilan) have been completed. The project was designed and project managed by the Building Consultancy and was completed on time and within the budget of £20m. This project is particularly interesting as it combines the architectural challenges of the refurbishment of an abandoned listed structure, refurbishment of a former 1980s teaching block and construction of new facilities and bringing them all together as a cohesive development.

4.5.3 Future Challenges/Areas that need improvement as they did not go well

- (a) Bring forward land for disposal/regeneration as a result of the completed Risca Flood Alleviation Scheme. Property is currently working with NRW and their project designers, ARUP, on the preparation of individual site flood consequence assessments following completion of the flood protection works.
- (b) Maintain the momentum of the Statutory Maintenance improvements.
- (c) Complete the sales of Pontllanfraith House & Dyffryn House.
- (d) Continue with the Council's Asset Rationalisation programme.

- (e) Co-ordinate the development and agreement of a whole authority Asset Management Strategy as this is still an outstanding WAO proposal for Improvement.

4.6 **Procurement Services**

4.6.1 **Overview**

The function has 17.5 FTE officers, who provide a full range of services related to Strategic Procurement, eProcurement systems and support and Supplier Relationship Management. In 2015 the Service was awarded Welsh Governments Outstanding contribution award at the Welsh National Procurement Awards.

4.6.2 **What Went Well?**

- (a) Statistics, comparators and KPI's show that quantitatively the service has in the main improved performance year on year over the last 5 years.

Title	Actual
% of Local Suppliers Awarded Contracts – WPC 12 Area*	89.60
No. of Suppliers = 221 Local Suppliers Awarded Contracts to date (2015/16)	

*During 2015/16 221 local contractors were awarded contracts. This performance indicator only considered contracts awarded by Procurement therefore in order to achieve a more accurate reflection authority wide the KPI was amended during quarter 4 (15/16) During that period 89.60% of contracts awarded (all departments) were awarded to local contractors. The authority has agreed the definition of local as “suppliers within the region of the old Welsh Purchasing Consortium area”.

- (b) The latest Welsh Government Fitness Check (2014/15) describes the function as “mature, moving towards advanced”. This places the Authority as one of the top 5 performing procurement functions within Local Government in Wales.
- (c) The service can demonstrate good success in supporting the local economy through our work in developing local SME's.

	2011/12	2012/13	2013/14	2014/15
How much total spend is within The authority's definition of local	50%	54%	55%	56%

- (d) Provision of service has been maintained whilst meeting the challenges of the MTFP.
- (e) Officers are supporting the WG funded project team on the integrated health and social care collaborative commissioning programme.
- (f) Officers have been instrumental in supporting the work with the National Procurement Service.
- (g) The Authority has implemented key changes in the Public Procurement regulations (2015) such as dynamic purchasing system in transport services to ensure a more flexible approach to procurement are taken forward.
- (h) Implementation of the small lots exemption under the public procurement regulations to support local providers in delivery of the WHQS programme.

- (i) Implementation of strategic contracts such as the supply partner which provides flexibility in delivering the outcomes of the WHQS programme.
- (j) Procurement Officers continue to utilise the Caerphilly Community Benefits guide and actively consider initiatives linked to targeted recruitment & training and measure outcomes via the Welsh Government Community Benefits measurement tool for all suitable contracts in line with the WPPS. Some recent examples include WHQS Internal Works and the Construction of Islwyn High School.

Islwyn High School

Apprentice Starts/Completion 7

Work Experience 17

Trainees 2

WHQS Internal Works (Yr1) – Contract Services

FTE's 31

Apprentice Starts/Completion 4

Graduates 2

WHQS Internal Works (Yr1) – Keepmoat

FTE's 4

Apprentice Starts/Completion 6

Work Experience 1

Trainees 5

Graduates 2

4.6.3 Future Challenges/Areas that need improvement as they did not go well

- (a) Further monitoring and recording of community benefit outcomes to ensure that they are deliverable are being recorded and that contractors/suppliers are delivering in accordance with the community benefit plan submitted at tender stage.
- (b) Continue to review our processes to ensure we improve and remove barriers to tendering. Recent engagement as part of the WHQS small lots programme has seen a number of local firms unable to bid for work or undertake the work once awarded contracts. The Authority need to support this area further.
- (c) Take forward electronic procurement to meet the needs of new legislation regarding electronic trading.
- (d) Understand the requirements of the Future Generations act and use the procurement function as a facilitator for change.

4.7 Corporate Customer Services

4.7.1 Overview

Corporate Customer Services are responsible for the 6 Customer Service Centres which deliver a range of services including DBS checks, assistance with Housing Benefit applications, and Payments; the Contact Centre which handles calls for a variety of service areas including Waste Management and Highways; the Blue Badge scheme; corporate reception services; and the corporate Switchboard.

4.7.2 What Went Well?

- (a) The service has performed well over the last year, with high levels of customer satisfaction, low cost per contact and very few complaints (800,000 contacts generated just 2 corporate complaints).
- (b) More than 275,000 visits were made to the Customer Service Centres during 2015, including 220,486 visits to make payments with a total value of £26.1 Million. This is

down from 290,782 received in 2011. Customer Satisfaction was high with 98% of customers satisfied with the service they received in Customer Service Centres. The changes to opening hours in October 2015 as part of MTFP were implemented with very few problems. Waiting times remained within target for almost all of 2015, but has shown a drop since the start of 2016 which reflects the change in service provision.

- (c) During 2015 4,971 Blue Badges were issued to residents. In a survey of customers all respondents said that they had been well treated during the process. The service has adapted to significant changes in legislation and WG Guidance with few problems and none of the adverse media coverage or criticism from AMs and MPs that other Welsh Local Authorities have received. The service is working closely with WG to improve the Blue Badge scheme across Wales and to implement further legislative changes.
- (d) During 2015 the Contact Centre answered 166,300 phone calls, replied to 35,000 e-mails from customers and forwarded 250,000 switchboard calls. Call answering performance remained within target values during every month of 2015 apart from September when the % of calls answered within 20 seconds dropped to 66.7% [Target=70%] and Unanswered calls rose to 5.3% [Target=5%]. This is due to long term sickness and maternity leave. Performance has dropped during 2016 again due to long term staff sickness issues with only 50% of calls being answered within 20 seconds during March. The attendance issues are currently being addressed in line with corporate policies.
- (e) Blackwood Customer Service Centre has moved into the Blackwood Library, the new Customer Service Strategy has been approved and the service has worked very closely with colleagues in IT to develop a new Customer Relationship Management (CRM) system.
- (f) Customer Services PIs as follows:-

Title	Actual	Target
% Calls unanswered – year to date (YTD)	5.07	5.00
Average Waiting time at Customer First Centres (minutes) YTD	5.30	10.00
Average Speed of Answer in the Contact Centre (seconds) YTD	4.67	20.00
% of Contact Centre Calls answered within 20 seconds YTD	70.23	70.00

4.7.3 Future Challenges/Areas that need improvement as they did not go well

- (a) The service needs to prepare for new ways of working which will include a degree of channel shift to meet the needs of the customer whilst supporting those with different needs.
- (b) Need to improve sickness levels which are high within the service and this area needs to be monitored and challenged to ensure compliance with the corporate sickness policy.
- (c) A number of internal procedures will need review this year as a result of internal failings. The service needs to have a modern look and feel with a high level of flexibility therefore new ways of working will be reviewed as part of the business improvement programme.

4.8 Legal Services

4.8.1 Overview

The service area can be split into three distinct service areas, Electoral services who are responsible for running and managing all elections and referenda in the Borough, in addition they are also responsible for ensuring that residents are registered to vote. Democratic Services have the responsibility for all duties associated with supporting the Council's democratic process including the scrutiny function. They provide advice and support to senior officers and all elected members. Legal Services provide a comprehensive legal service to the Council taking instructions from its client departments. The service is split into three small teams, corporate and governance advice (including corporate complaints), welfare and litigation and planning, land and highways. The area is headed up by the Interim Head of Legal Services/Monitoring Officer. In total there are 37 FTE's employed within the combined service areas.

4.8.2 What Went Well?

In relation to the Corporate Services survey mentioned earlier in the Report :-

- 84% of those who have recently contacted Democratic Services were very satisfied or fairly satisfied with the overall service provided.
- 90% of those who have recently contacted Legal Services were very satisfied or fairly satisfied with the overall service provided.

This table includes a small sample of the PIs for the service area on the whole all PIs were maintained or exceeded despite the fact that there have been several staff shortages caused by a delay in filling vacant posts (i.e. recruitment timelines).

Period	Title	Actual	Target	Intervention
Mar 16	% Completions where the client is informed within five days for the whole of the department	93	93	85
Feb 16 (no events in Mar 16)	% of members that scored training events as good or very good	100%	80	60

- (a) Despite staff shortages in key areas, staff worked well to cover gaps. On the whole PI's were maintained or exceeded. New and interim appointments have been successful and staff settled – now almost back to capacity.
- (b) Implementation of new training programme for Senior Members – very well received – programme submitted to WLGA Good Practice and Innovation Award.
- (c) It has been a busy time for Electoral Services, so far 5 by-elections and the recent Assembly and PCC Elections with the EU Referendum to come. Lessons learnt from last year include:- staff from across the service area assisting with elections, in order to address the capacity of the very small team.
- (d) Support of the scrutiny function by involving staff from Legal Services. In addition the physical move of Democratic Services has helped to build relationships and develop team working.
- (e) An excellent result was achieved in respect of a major civil litigation claim (settlement achieved via adjudication process).

- (f) The Lexcel Inspection for legal services was successful and accreditation maintained. The inspection recognised several areas of good practice.

4.8.3 Future Challenges/Areas that need improvement as they did not go well

- (a) Implementation of Scrutiny Review, Action Plan ongoing to ensure that this is a success.
- (b) Additional work as a result of Welsh Language Standards.
- (c) Ever increasing numbers of child care cases. On analysis there is no apparent reason for this, the situation will remain under review.
- (d) There have been a number of difficult Non-Accidental Injury Cases received over the last year.

4.9 IT & Central Services

4.9.1 Overview

IT and Central Services provides a complex range of services underpinning the Authority's and its schools' information and communications technology (ICT) requirements plus other essential services including the management of information governance matters (incorporating advice and guidance regarding the Freedom of Information and Data Protection Acts), corporate records centres, mail and courier services and the central typing function.

The Division has 94.98 full-time equivalent (FTE) staff based over three sites (Penallta, Tredomen and Enterprise Houses). Staff are allocated as follows:- 81.7 FTE in IT and 13.28 FTE in Central Services. An additional 9 FTE staff are funded from the Housing Revenue Account (HRA) dedicated to providing IT and performance management services to Housing Services and the WHQS Programme and are based over two sites (Penallta and Cherry Tree Houses).

4.9.2 What Went Well?

- (a) Despite resource reductions at both operational and managerial levels many significant achievements have been completed during the year as shown by the examples below. However, it is accepted that some aspects of the service have been below par due to the necessary diversion of resources to deliver mandatory technological changes and the organisation's business requirements, particularly IT support to the WHQS programme.
- (b) In the main key PIs showed good performance, except for system availability issues.

	Actual	Target	2014/15 Result
IT Network & System Availability* ¹	99.71%	99.70%	99.44%
Call Resolution (IT Helpdesk) * ²	90.67%	92.00%	91.49%
Data Protection Act Subject Access Requests answered within 40 calendar days* ³	64.00%	70.00%	79.78%
FOI/EIR Act requests responded to within 20 working days* ⁴	85.00%	80.00%	77.79%

(c) Members should note:-

*1 – Figures based upon availability of all major network connections and significant systems. KPIs to be separated in 2016/17 to give more accurate view of service.

*2 – Results below target for past two years where significant technical change has been implemented. This period has seen a 31.11% increase in total calls logged annually causing this dip in performance.

*3 – Results below target. This has been due to a significant influx of complex requests in Q4 (63% increase on Q3).

*4 – Targets exceeded for the first time following revision of business processes.

(d) In addition to the above the following went well during 2015/16:-

- IT Service met its MTFP targets.
- IT had a critical involvement in the asset rationalisation programme associated with the closure of Pontllanfraith House.
- Replacement of unsupported technologies affecting approximately 4,000 desktop computers and 450 servers.
- Upgrade of MS Office to consistent version for all customers.
- Upgrade of the email system infrastructure which serves approximately 4,500 mailboxes.
- IT updated its ISO27001 Information Security Management accreditation to the new standard.
- IT maintained its Public Services Network (PSN) Connection Compliance Certificate to assure access to and secure communication with the rest of the public sector.
- Corporate Information Governance Unit (CIGU) FOI request response compliance has improved and now exceeds national targets.
- Staffing resource reduction in Central Services (CIGU, Mailroom and Typing Services) realised with business as usual.

4.9.3 Future Challenges/Areas that need improvement as they did not go well

- (a) Improve reliability and performance of services offered, particularly system availability and performance as this did not go well during 2015/16.
- (b) Continue to need to meet requirements of MTFP / Business Improvement Portfolio savings targets.
- (c) Respond to the Shared Resource Services (SRS) collaboration option, this will involve consultation, including Members.
- (d) Maintain IT security and information governance standards.
- (e) Benchmark service against other Welsh LAs.
- (f) Seek further income generation opportunities.

4.10 Sickness Absence in 2015/16 for Corporate Services

The following table shows sickness levels for 2015/16:-

Directorate	Service Area	% Sick Short Term	% Sick Long Term	Overall Absence %
	Corporate Finance	1.63	2.17	3.80
	Human Resources	1.20	1.67	2.86
	Information & Citizen Engagement	1.84	2.81	4.65
	Legal & Governance	0.83	2.28	3.11
	Performance & Property	1.66	2.42	4.08
	Procurement Services	2.09	3.17	5.26
	Director & Staff	0	0	0

Corporate Services		1.60	2.38	3.98
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5. EQUALITIES IMPLICATIONS

5.1 An Equalities Impact Assessment is not required as the report is for information.

6. FINANCIAL IMPLICATIONS

6.1 There are no financial implications to this report.

7. PERSONNEL IMPLICATIONS

7.1 There are no personnel implications to this report.

8. CONSULTATIONS

8.1 There are no consultations that have not been included in this report.

9. RECOMMENDATIONS

9.1 The Committee is asked to consider the content of the report and where appropriate question and challenge the performance presented.

10. REASONS FOR THE RECOMMENDATIONS

10.1 Performance Management Scrutiny affords members the opportunity to challenge, inform and shape the future performance of the services that are presenting their priorities for 2016/17.

11. STATUTORY POWER

11.1 Local Government Measure 2009.

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 Gail Williams, Interim Head of Legal Services & Monitoring Officer
 Liz Lucas, Head of Procurement & Customer Services
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