

Scrutiny Committee Report



Report of Head of Finance

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To: Scrutiny Committee

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AGENDA ITEM
6

Performance review of CAPITA for the period 1 April 2011 – 31 March 2012

RECOMMENDATION

That the committee considers Capita's performance in delivering the ten elements of the financial services contract for the period 1 April 2011 to 31 March 2012 and makes any recommendations to the Cabinet member for finance.

PURPOSE OF REPORT

1. The purpose of this report is to review the performance of Capita in providing financial services during the review period of 1 April 2011 to 31 March 2012.

STRATEGIC OBJECTIVES

2. **Strategic Objective - “effective management of resources”:** The financial services contract contains a number of key performance indicators and a payment and performance mechanism that details a system of bonuses and penalties relating to these indicators. The majority of services provided are also key front line services. The contract with Capita is therefore particularly significant in helping to achieve the corporate priorities of:
 - providing value for money services that meet the needs of our residents and service users; and,
 - providing equality of access to our services.

BACKGROUND

3. The financial services contract commenced on 31 July 2006 and is a joint contract between South Oxfordshire District Council (SODC), Vale of White Horse District Council (VWHDC) and Capita. It was a ground breaking contract that included the creation of a shared services model created by VWHDC and SODC to modernise and achieve economies of scale in the provision of financial services. The partnership has enabled processes and procedures to be harmonised and efficiency savings to be made as a consequence.
4. The contract duration was for an initial term of seven years (ending on 30 July 2013) but an option to extend it for a further three years to 30 July 2016 was taken up in April 2011.
5. The specification for the financial services contract comprises the following elements:

| Service | SODC only | VWHDC only | Joint |
|---|-----------|------------|--------------|
| Council tax and non-domestic rates collection | | | ✓ |
| Benefits administration | | | ✓ |
| Accounts receivable (debtors) administration | | | ✓ |
| Accounts payable (creditors) administration | | | ✓ |
| Payroll system and system administration | | | ✓ |
| Integrated financial management information system and system administration (general ledger, accounts payable & receivable, payroll) | | | ✓ |
| Cashier services | ✓ | | |
| * Administration of assisted travel scheme | | | ✓ (July 09) |
| Customer contact services | ✓ | | |

* Assisted travel became a county council function from 1 April 2012

6. Although the contract is a joint one with VWHDC, this report only concentrates on performance in respect of SODC.

PERFORMANCE REVIEW OF CAPITA

7. A system for the performance review of contractors has been devised which requires the following measures to be included in the evaluation:
 - measured performance against key performance targets (KPT's)
 - customer satisfaction with the total service experience, and
 - council satisfaction as client
8. For the purpose of this review the contract with Capita has been scored in seven parts:
 - revenues and cash office
 - benefits
 - exchequer (accounts payable, accounts receivable)

- financial management system
- payroll
- customer contact
- concessionary fares (assisted travel)

9. The Cabinet member for Finance will make the assessments of Capita's performance after consideration by the committee. The detailed officer assessments (based on the measures of excellent; good; fair; weak; poor) are as follows:

REVENUES

Dimension 1 – Key performance targets (KPTs)

10. Performance against performance targets is given in **Appendix 1** with the indicators that are key performance targets for the contractual payment and performance mechanism in bold.

11. The main points to note when assessing performance for the review period include:

- Capita achieved an in-year collection rate of **98.64 per cent** (98.65 per cent 2010/2011) for council tax collection against a target of 98.6 per cent. This was the second best in-year collection rate recorded and considering the ongoing economic downturn, it was an excellent achievement. It should also be noted that arrears continue to be collected after the end of the financial year. At the time of writing this report **99.1 per cent** of last year's council tax debt has been collected.
- Capita achieved an in-year collection rate of **98.55 per cent** (98.75 per cent 2010/2011) for business rate collection against a target of 99.4 per cent (this target relates to the final year of Best Value Performance Indicators (BVPIs) in 2007/08). Performance was once again affected by the economic downturn but it was still a considerable achievement.
- The cash office has continued to run smoothly. Capita acts as a remote cashier within its Coventry contact centre and during the year collected almost £660,000

12. Based on this performance the head of service has made a judgement on KPT performance for revenues and the cash office as follows:

| | |
|---------------------------------------|------------------|
| KPT judgement | Excellent |
| Previous KPT judgement for comparison | Excellent |

Dimension 2 – Customer satisfaction

13. Customer satisfaction with council services is of high importance. Though the council is ultimately responsible for delivering customer satisfaction, the operational duty of providing customer service is delegated to the contractor.

Taking customer satisfaction into account when evaluating performance ensures that Capita is focused on the outcome of performance for customers.

14. In accordance with the model for reviewing the performance of contractors, measurement of customer satisfaction should be undertaken through:

- ongoing measurement by the contractor as part of the service
- independent surveys and gap analyses commissioned by the council as part of its consultation process.

15. To meet the council's requirements, satisfaction is measured on a scale of 1-5 which is convenient and replicates the Audit Commission's previous BVPI measurements:

- 5 – very satisfied
- 4 – satisfied
- 3 – neither satisfied nor dissatisfied
- 2 – dissatisfied
- 1 – very dissatisfied

16. Due to its significant impact upon our more vulnerable customers, it is the benefits service (evaluated below) that is heavily scrutinised as far as the financial services contract is concerned. The revenues collection function rarely gets compliments due to the nature of the service, and although the council demands high collection rates it requires processes to be efficient and perceived as fair by the customer. However, during 2011 the council and Capita undertook a business rates satisfaction survey. Unfortunately the number of respondents was very low. The survey produced the following results:

- Satisfaction with the service was 64 per cent and specifically in terms of accuracy of the bill 59 per cent; additional information that accompanied the bill 49 per cent; and, methods of payment available 67 per cent. 11 per cent said they encountered problems paying their bills and eight per cent of those who contacted the council claimed that their query was not resolved on first contact
- Respondents who contacted the service by telephone were positive about the way their calls were handled (70 per cent) i.e. calls were answered quickly (80 per cent); queries were dealt with swiftly (70 per cent). However, 15 per cent felt it was difficult trying to get to speak to the right member of staff
- Satisfaction with staff was 65 per cent, with staff being perceived as friendly; they treated respondents with respect; and, explained things in a way they could understand. However, 35 per cent did not always feel confident that what staff said was correct.

17. The council received 48 official (revenues) complaints during 2011/2012 (33 in 2010/2011). The majority of these complaints were dealt with promptly and although nine were justified (10 in 2010/2012) and resulted costs being written off totalling £95, all but two were resolved at stage one of the complaints procedure with two being resolved at stage 2.

18. The annual billing process was once again carried out efficiently and the continuation of paperless direct debits offers a convenient facility for taxpayers to set up direct debits over the phone. By the end of the year the council was at its all time highest direct debit take-up of 77 per cent. This is the second highest achieved by Capita at any of its clients and is higher than most other councils. In addition, benefit notifications were posted in the same envelope as council tax bills.
19. Capita undertook an Equalities Impact Assessment (EIA) of the council tax service in 2011/2012 following on from a successful assessment carried out in 2010/2011. EIA assessments help to achieve racial, disability and gender equality. It reviewed recent improvements in the service during the 2011 financial year, including the introduction of e-billing, which allows wider choice and convenience about how residents receive their bills; visiting officers/Inspectors helping raise awareness about council tax discounts/reliefs; the improvement and redesign of various council tax discount application forms; and, the second direct debit date which was implemented during 2010 has continued to be heavily promoted during 2011 which has proved to be very successful. In addition, all Capita staff have spent time reading and gaining a better understanding of the Human Rights Act. Capita also demonstrated its compliance with the Equality Act and the equality elements of the contract, through the completion of a quarterly monitoring form.
20. Quarterly meetings with the Citizens Advice Bureaux were once again well received and did not raise any concerns.
21. Capita received **31,466** council tax telephone calls at its Coventry contact centre during the year (almost 3,000 less than in 2010/11). It managed to answer **86** per cent of these calls within 20 seconds (the target being 80 per cent). The council does receive some complaints about the service from time to time (usually when there have been unavoidable bulk mailings), but generally the service is good during calmer periods. No official complaints were received during 2011/12.
22. Based on this performance, the head of service has made a judgement on customer satisfaction for revenues and the cash office as follows:

| | |
|---|-------------|
| Customer satisfaction judgement | Good |
| Previous Customer satisfaction judgement for comparison | Good |

Dimension 3 – Council satisfaction

23. Whilst customer satisfaction is an important priority, a further important dimension is the satisfaction expressed by the council as the client on whether the contractor is meeting its needs and expectations. These needs and expectations have been measured using the model for reviewing performance of contractors and are attached as **Appendix 2**.
24. This produced a score of **4.58** out of a maximum score of **5.0**. Based on this performance, the Head of Finance made the following judgement on Capita's delivery of council satisfaction.

Council satisfaction judgement

Excellent

Previous Council satisfaction judgement for comparison

Excellent

Overall assessment – Revenues

25. Taking into account the performance of Capita against KPTs, customer satisfaction and council satisfaction, the head of service has made an overall judgement as follows.

Overall assessment

Excellent

Previous Overall assessment for comparison

Excellent

Strengths and areas for improvement

26. **Appendix 2** records strengths and areas for improvement relating to the performance of Capita during the review period. Where performance is lower than that expected the contract manager will agree an improvement plan with Capita. This has not been required for this element of the contract.

Contractor’s feedback

27. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to the council processes. This is included in **Appendix 9**.

BENEFITS

Dimension 1 – Key performance targets (KPT’s)

28. Performance against performance targets is given in **Appendix 1** with the indicators that are key performance targets for the contractual payment and performance mechanism in bold.

29. The main points to note when assessing performance for the review period include:

- The figure for speed of processing new claims (the old BVPI 78a measure) came in at **17.84 days**, inside the **19 day target**, compared to 20.13 days in 2010/2011. This was the best in-year performance since the inception of the contract. Changes in circumstances (the old BVPI 78b measure) came in at **8.63 days** against a very challenging target of **9.5 days**, compared to 11.79 days in 2010/2011. Again, this was the best in-year performance since the inception of the contract **NI 181** (combined new claims and changes processing) came in at a very pleasing **9.86 days** and under the **13 day target**, compared to 12.81 days in 2010/2011. Again, the best in-year performance since this measure began

- Capita’s promised focus on getting benefit assessments “right first time” continued during 2011/12. The financial accuracy performance rate for 2011/2012 was an outstanding **96.03 per cent** (based on the council’s statutory checks) and an impressive 1.89 per cent improvement upon the 94.14 per cent recorded in 2010/2011. It was by far the best performance since the inception of the contract (and compared very favourably with our MKOB (Milton Keynes, Oxfordshire and Buckinghamshire) benchmarking group)
- During 2011/12 the Audit Commission qualified the council’s 2010/11 benefit subsidy grant claim for some minor technicalities only, which were accepted, and confirmed that previous recommendations had been carried out. The council did not breach the local authority financial error threshold levels and, as a consequence, was not financially penalised. This was reported to the Audit and Governance Committee meeting on 19 January 2012
- Recovery of overpaid benefit, which had been subject to close scrutiny by the council, once again made great strides during 2011/12. During the year old debt reduced by **£447,000** whilst **72 per cent** of all debts raised during 2011/12 were collected, amounting to **£917,550**. Benefit debt, which is predominantly claimant error and fraudulent overpayments, is notoriously difficult to collect and prompt; firm action is required to keep on top of it. Of the year-end arrears, which totalled £1.59m, 59 per cent of the debt (54 per cent of debtors) was subject to arrangements. 2011/12 was the best performance in terms of managing and collecting the debt since the inception of the contract.

30. Based on this performance the head of service has made a judgement on KPT performance for Benefits as follows:

| | |
|---------------------------------------|------------------|
| KPT judgement | Excellent |
| Previous KPT judgement for comparison | Good |

Dimension 2 – Customer satisfaction

31. As explained above, due to its significant impact upon our more vulnerable customers, it is the benefits service that is heavily scrutinised as far as the financial services contract is concerned. Capita is contracted to gauge customer satisfaction by conducting surveys (which is important following the previous BVPI surveys being abolished), and a survey carried out during 2011/2012 produced the following results:

- Taking everything into account, 78 per cent of customers were satisfied with the service they received from the benefits office compared to 89 per cent in 2010/2011
- 75 per cent of customers were satisfied with the amount of time it took to tell them whether their claim was successful or not, compared to 85 per cent in 2010/2011
- 19 per cent of customers surveyed felt their benefit had been calculated incorrectly during the year compared to 21 per cent in 2010/2011.

- 76 per cent of customers were satisfied with the ways in which they could contact the benefits office compared to 82 per cent in 2010/2011
- 11 per cent of customers felt they had to wait a long time to see the person they wanted compared to 25 per cent in 2010/2011
- 43 per cent of customers said they were satisfied with their visit to the benefits office compared to 88 per cent in 2010/2011
- 33 per cent of customers were satisfied with the telephone service (compared to 75 per cent in 2010/2011), with 25 per cent feeling their query was dealt with quickly (7 per cent disagreed) and 24 per cent agreeing that their call was answered quickly (11 per cent disagreed). However, 6 per cent felt it was difficult getting through to the right person
- 64 per cent of customers were satisfied with the service from staff (six per cent disagreed) and 62 per cent felt staff were friendly (six per cent disagreed). 66 per cent of customers felt staff treated with them respect (five per cent disagreed) whilst 50 per cent felt things were explained in a way they could understand (8 per cent disagreed)
- 13 per cent of customers felt that staff were in a rush and 15 per cent felt they were not able to ask the questions they wanted to. 24 per cent weren't always sure what staff said was correct
- 64 per cent of customers were satisfied with the claim form compared to 72 per cent in 2010/2011 whilst 33 per cent felt letters sent about their claim were difficult to understand compared to 34 per cent in 2010/2011.
- Generally, the main improvements customers would like to see would be (i) the time taken to tell them whether their claim was successful or not (ii) improvements to the claim form and (iii) improvements to the telephone service (iv) improvements to methods of contact.

32. The financial services contract with Capita is heavily weighted towards achieving good performance and high levels of customer care and satisfaction. It also specifies building up good working relationships with stakeholders – both internal (e.g. the council's Housing Services Team who share approximately **150** mutual customers at any one time) and external (e.g. Registered Providers – who share approximately **3,900** mutual customers at any one time), to promote joint working where appropriate to improve the end customer experience. To this end Capita has:

- Conducted joint visits with both Housing and RSL staff where this has been requested and held surgeries at Registered Provider offices.
- Trained Housing and Registered Provider staff to verify benefit applications (which avoids unnecessary duplication).
- Held regular meetings with Housing staff where required to address working practices to improve efficiency and effectiveness, end customer experience, and, service level agreements

- Held benefit surgeries around the district. This increases customer access to the service and is an alternative to home visits.
33. Generally, positive feedback has been received from Registered Providers and the CABx via regular liaison meetings. This is always a good yardstick as these organisations predominantly represent the most vulnerable of our customers.
34. The “front of house” function (provided by Capita) continues to be able to process benefit claims at the first point of contact. This is a particularly convenient facility for customers
35. Capita received **20,466** benefit telephone calls at its Coventry contact centre during the year (almost 6,000 less than in 2010/11). It managed to answer 83 per cent of these calls within 20 seconds (the target being 80 per cent). Unfortunately the council does receive some complaints about the service from time to time (usually when there have been unavoidable bulk mailings) and where there seems to be a lack of understanding with complex queries, but generally the service is good during calmer periods. Capita undertook an Equality Impact Assessment (EIA) of the benefits service in 2008/09 which was especially well received by the external disability panel. This assessment was reviewed in 2011/12 and new actions determined in order to continue to advance equal opportunities for people protected by the Equality Act. During 2011/2012 tasks included holding surgeries (as mentioned above); publicising legislative changes; and, promoting benefits to minority groups. This should help improve customer satisfaction in certain areas. Capita also demonstrated its compliance with the Equality Act and the equality elements of the contract, through the completion of a quarterly monitoring form.
36. There were 15 official complaints, nine of which were justified (compared to 27 and 12 in 2010/2011). All except one were dealt with at stage one of the complaints procedure with one progressing to stage two. Compensation totalling £4,450 was paid by Capita (this related to one particular complaint).
37. Based on this performance, the head of service has made a judgement on customer satisfaction for benefits as follows:

| | |
|---|-------------|
| Customer satisfaction judgement | Good |
| Previous Customer satisfaction judgement for comparison | Fair |

Dimension 3 – Council satisfaction

38. Whilst customer satisfaction is an important priority, a further important dimension is the satisfaction expressed by the council as the client on whether the contractor is meeting its needs and expectations. These needs and expectations have been measured using the model for reviewing performance of contractors and are attached as **Appendix 3**.
39. This produced a score of **4.53** out of a maximum score of **5.0**. Based on this performance, the Head of Finance made the following judgement on Capita’s delivery of council satisfaction.

| | |
|--------------------------------|------------------|
| Council satisfaction judgement | Excellent |
|--------------------------------|------------------|

Previous Council satisfaction judgement for comparison

| |
|-------------|
| Good |
|-------------|

Overall assessment – Benefits

40. Taking into account the performance of Capita against KPT’s, customer satisfaction and council satisfaction, the head of service has made an overall judgement as follows.

| | |
|--|------------------|
| Overall assessment | Excellent |
| Previous Overall assessment for comparison | Good |

Strengths and areas for improvement

41. **Appendix 3** records strengths and areas for improvement relating to the performance of Capita during the review period. Where performance is lower than that expected the council will agree an improvement plan with Capita.

Contractor’s feedback

42. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to the council processes. This is included in **Appendix 9**

EXCHEQUER – ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE

Dimension 1 – Key performance targets (KPTs)

43. **Accounts Receivable** – maximising sundry debts was a key theme of the financial services procurement and during 2011/12 the council (its legal representative and cost centre managers), assisted by Capita, finished the end of the year with its lowest ever recorded arrears levels over 30 days – to the sum of £109,000 compared to the previous year’s best ever of £215,000 and, a debt of in excess of £1million at the commencement of the contract.
44. Capita’s performance in issuing (24,282) invoices within two working days of instructions from cost centres was 100 per cent. Capita also hit 100 per cent performance for the production of (6,732) reminders after 14 days and (536) final notices after 28 days. In addition, important aged debt reports (required for monitoring debt progress) and legal lists (required to determine recovery action) were issued promptly throughout the year and, the write-off of unrecoverable debts were processed promptly.
45. This service area continues to be closely monitored by the council and we are now seeing excellent results with cost centre managers taking more responsibility in recovering the debts that they raise.
46. **Accounts Payable** - Capita continued 2011/12 where it left off at the end of 2010/2011. 100 per cent of (5,917) invoices received were scanned and distributed to service teams within 48 hours and 100 per cent of (15) urgent payment requests (within the same day) were met. In addition, 100 per cent of purchase order requests were met.
47. Payment of invoices within 30 days (the old BVPI8 measure) is not a contractual target upon Capita, but it is greatly influenced by the operation and understanding of the Agresso system and by Capita ensuring that invoices are scanned and distributed in a timely manner. Performance in 2010/11 was **98.67 per cent** compared to 97.83 per cent in 2010/11.
48. Based on this performance the head of service has made a judgement on KPT performance for exchequer as follows:

| | |
|---------------------------------------|------------------|
| KPT judgement | Excellent |
| Previous KPT judgement for comparison | Excellent |

Dimension 2 – Customer satisfaction

49. **Accounts payable** – Capita’s excellent performance in the accounts payable process was maintained in 2011/12. Capita worked closely with the on-site council staff (especially through the Agresso Superuser group during the year) to discuss any problems that arose and make service improvements.
50. Capita has processes in place to provide the council with weekly and monthly reports of invoices waiting to be paid or those that were paid late, which have contributed to the significant improvement in payment of invoice performance.

51. **Accounts receivable** – As explained above, due to its significant impact upon our more vulnerable customers, it is the benefits service that is heavily scrutinised as far as the financial services contract is concerned. However, complaints are monitored through the council’s complaints procedure and during the year no complaints were received.

52. Training and access issues for internal customers (cost centre managers) to enquire on the status of debts raised and income collected were good with Capita becoming more proactive generally. The exchequer manager continued to attend meetings with the legal representatives and the client manager and was generally more accessible for staff.

53. Based on this performance, the head of service has made a judgement on council satisfaction for exchequer as follows:

| | |
|---|------------------|
| Customer satisfaction judgement | Excellent |
| Previous Customer satisfaction judgement for comparison | Good |

Dimension 3 – Council satisfaction

54. Whilst customer satisfaction is an important priority, a further important dimension is the satisfaction expressed by the council as the client on whether the contractor is meeting its needs and expectations.

55. The council’s needs and expectations have been measured using the model for reviewing performance of contractors and are attached as **Appendix 4**.

56. This produced a score of **4.5** out of a maximum score of **5.0**. Based on this performance, the Head of Finance made the following judgement on Capita’s delivery of council satisfaction:

| | |
|--|------------------|
| Council satisfaction judgement | Excellent |
| Previous Council satisfaction judgement for comparison | Excellent |

Overall assessment

57. Taking into account the performance of Capita against KPT’s, customer satisfaction and council satisfaction, the head of service has made an overall judgement as follows.

| | |
|--|------------------|
| Overall assessment | Excellent |
| Previous Overall assessment for comparison | Excellent |

Strengths and areas for improvement

58. **Appendix 4** records strengths and areas for improvement relating to the performance of Capita during the review period. Where performance is lower than that expected the contract manager will agree an improvement plan with Capita.

Contractor’s feedback

A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to the council processes. This is included in **Appendix 9**.

FINANCIAL MANAGEMENT SYSTEM

Dimension 1 – Key performance targets (KPTs)

59. System availability. The availability of the Agresso system has remained satisfactory throughout the period; there have been no major unannounced periods of system non-availability that have inconvenienced users.
60. System administration. The service to upload to the system, setting up new codes and new users/removing users, has proved responsive and there are no issues with this part of the contractor’s performance. The contractor has continued to be of assistance in supporting the council’s internal transfer of responsibilities to the finance team.
61. Upgrade of Agresso. The upgrade to Agresso version 5.5.3 has proved to be reliable with no noticeable teething troubles.
62. Reconciliations. Most reconciliations that are the responsibility of the contractor are completed in a timely manner. However, there were problems experienced in producing one reconciliation, due primarily to responsibility for the task in question changing hands on the contractor’s side. Both sides are working together to try and improve this situation, and we are grateful to the client manager for investing his time in looking into this for us.
63. Although no KPTs are laid down for the FMS part of the contract, the estimated assessment of this dimension is “good”.

| | |
|---------------------------------------|-------------|
| KPT judgement | Good |
| Previous KPT judgement for comparison | Good |

Dimension 2 – Customer satisfaction

The council is the customer for the financial management system. Service departments only use the web based version of Agresso. There has been no

negative feedback from the service departments and they remain satisfied with the general service provided, system availability and response to queries.

64. Accountancy services are the principal users of the “back-office” live system. Routine use of the financial management system causes no issues.

65. Taking the whole year’s performance into account, the performance is considered good.

Customer satisfaction judgement

Good

Previous Customer satisfaction judgement for comparison

Good

Dimension 3 – Council satisfaction

66. Whilst customer satisfaction is an important priority, a further important dimension is the satisfaction expressed by the council as the client on whether the contractor is meeting its needs and expectations. These needs and expectations have been measured using the model for reviewing performance of contractors and are attached as **Appendix 5**.

67. This produced a score of **3.90** (last year was **3.90**) out of a maximum score of **5.0.**, no change to previous year.

Council satisfaction judgement

Good

Previous Council satisfaction judgement for comparison

Good

Overall assessment

68. In overall terms the service provided by the contractor is good. In terms of routine systems operation and maintenance the client accountancy team consider the staff and support from the contractor’s team in Mendip to be helpful, polite and efficient in dealing with issues, problems and queries raised by the client team. We are pleased to note that the efforts made last year around the Agresso upgrade have continued to reap benefits for both the client and the contractor.

69. Taking into account the performance of Capita against KPT’s, customer satisfaction and council satisfaction, the Head of Finance has made an overall judgement as follows.

Overall assessment

Good

Previous Overall assessment for comparison

Good

Strengths and areas for improvement

70. **Appendix 5** records strengths and areas for improvement relating to the performance of Capita during the review period. Where performance is lower than that expected the contract manager will agree an improvement plan with Capita.

Contractor's feedback

71. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to the council processes. This is included in **Appendix 9**.

PAYROLL

Dimension 1 – Key performance targets (KPTs)

72. Capita has been providing a payroll system and its administration since January, 2007. Up until February 2012 the council fulfilled the payroll inputting function. Since February 2012 Capita has provided the whole service.
73. There is one KPT for the payroll part of the contract. This requires a timely and accurate payment to all staff and councillors. In other words 100 per cent accuracy of payments by the due date. Up until February 2012 there were only a few minor errors that were due to Capita. In February and March 2012 the number of errors made increased as Capita took over full responsibility for the end to end payroll service. However, the number of errors made was less than those made on average by the previous experienced in-house team. Nine months into the new arrangements errors rates are very low.
74. Given the significant changes in processes required for Capita to fulfil its additional role from Carlisle the actual error rate in February and March was pleasingly low. Based on this performance the head of service has made a judgement on KPT performance for payroll as follows:

| | |
|---------------------------------------|------------------|
| KPT judgement | Excellent |
| Previous KPT judgement for comparison | Excellent |

Dimension 2 – Customer satisfaction

75. Satisfaction is covering the period April 2011 to March 2012. Customers in this context are staff and councillors. Monthly payments have been made into customers' accounts by the due date, with gross to net calculations accurate.
76. Up until February 2012 there were no instances of customer dissatisfaction as a consequence of the performance of the element of the payroll service provided by Capita. In February and March there were only minor cases of dissatisfaction.
77. Based on this performance, the head of service has made a judgement on customer satisfaction for payroll as follows:

| | |
|---|------------------|
| Customer satisfaction judgement | Excellent |
| Previous Customer satisfaction judgement for comparison | Excellent |

Dimension 3 – Council satisfaction

78. Council satisfaction is measured by the client based on the contractor’s performance against the council’s needs and expectations. These needs and expectations have been measured using the model for reviewing performance of contractors.

79. There have been no areas of concern during 2011/12. Capita has handled the handover of payroll inputting responsibilities in a professional and orderly manner. Working relationships are very good which in itself is very pleasing considering the service is delivered from Carlisle. Special thanks should go to Julie Graham of Capita who manages the contract in Carlisle. Julie has been instrumental in ensuring the council’s needs are fully understood and met thereby creating an excellent partnership relationship that seeks to go the extra mile.

80. This (**Appendix 6**) produced a score of 4.68 out of a maximum score of 5.0. Based on this performance, the Head of Finance made the following judgement on Capita’s delivery of council satisfaction:

| | |
|--|-----------|
| Council satisfaction judgement | Excellent |
| Previous Council satisfaction judgement for comparison | Good |

Overall assessment

81. Taking into account the performance of Capita against KPTs, customer satisfaction and council satisfaction, the head of service has made an overall judgement as follows.

| | |
|--|-----------|
| Overall assessment | Excellent |
| Previous Overall assessment for comparison | Excellent |

Contractor’s feedback

82. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to the council processes. This is included in **Appendix 9**.

CUSTOMER CONTACT

Dimension 1 – Key performance targets (KPTs)

This element of the contract is managed by Geoff Bushell, shared performance, projects and customer services manager.

83. Capita took on the management of South's reception and switchboard services on 16 April 2007, and the measurement of performance against targets began on 31 July 2007.
84. Performance of the switchboard team against the key performance targets has remained steady for the past year. Abandoned calls have averaged 3.8 per cent, which is within the Service Level Agreement (SLA) of five per cent. The percentage of calls answered within 20 seconds (an industry standard benchmark) remained above the 80 per cent SLA throughout 2011/2012. The number of calls that are not answered within 50 seconds has not met the SA since the start of the contract.
85. In 2011/2012, Capita processed 32,531 visitors to Crowmarsh reception.
86. The front of house team has performed strongly, and monthly reports show that visitors are seen promptly with performance exceeding SLA for visitors seen within two minutes.
87. Since the SLA was first agreed in 2007, the character of customer service provision has changed in two respects:
- the KPT of answering 99 per cent of phone calls within 50 seconds has never proved attainable, however, with hindsight this is an unrealistic target and Capita has indicated that it would not be able to meet it with current resources. A more realistic target within current contract costs would be 95 per cent, a negligible reduction in customer services;
 - the KPT's for first contact resolution are no longer appropriate because Capita is contracted to forward certain calls and visitors to the relevant departments and is therefore not required to resolve 100 per cent of telephone and visitor enquiries.
88. For the above reasons, the contract monitoring officer sought to negotiate with Capita to agree a revision to the SLA. However, at that time (March 2012), Capita was not prepared to consider a contract variation.
89. The table below shows performance against the SLA for the period 1 April 2011 to 31 March 2012. The three SLAs which are now less relevant are indicated by italics and shading, and have been accorded a zero weighting in calculating the overall average KPT performance rating score. Individual KPT rating is calculated according to the guidance accompanying the contractor review process.

Agenda Item 1

| KPT ref | Description of KPT | Target | Performance 2011/12 | Previous performance 2010/11 for comparison | Trend | Individual KPT rating (excellent, good, fair, weak or poor) | KPT rating score (excellent = 5, good = 4, fair = 3, weak = 2, poor = 1) |
|--|---|------------|--------------------------------------|---|-----------------------|---|--|
| KPT 1 | Abandoned call rate | 5% | 3.8% | 4.3% | Better | Excellent | 5 |
| KPT 2 | Calls answered within 20 seconds | 80% | 85.4% | 84.7% | About the same | Excellent | 5 |
| <i>KPT 3</i> | <i>Calls answered within 50 seconds</i> | <i>99%</i> | <i>90.8%</i> | <i>91.0%</i> | <i>About the same</i> | <i>Fair</i> | <i>3</i> |
| <i>KPT 4 etc</i> | <i>First contact resolution</i> | <i>80%</i> | <i>No longer relevant to measure</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| KPT 5 | Personal callers seen within 2 minutes of arrival | 80% | 99.8% | 99.7% | Better | Excellent | 5 |
| KPT 6 | Personal callers seen within 5 minutes of arrival | 100% | 99.9% | 99.9% | Same | Good | 4 |
| <i>KPT 7</i> | <i>First contact resolution</i> | <i>80%</i> | <i>No longer relevant to measure</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| Overall "average" KPT performance rating score (allowing for zero weighting of shaded italic KPTs) | | | | | | | 4.75 |
| Overall "average" KPT performance (excellent, good, fair, weak or poor) | | | | | | | Excellent |

90. Based on this performance, and excluding the three KPTs which are no longer relevant (which had been included the previous year) the Head of HR, IT and Customer Services has made a judgement on KPT performance as follows:

KPT judgement

Excellent

Previous KPT judgement for comparison

Good

Dimension 2 – Customer satisfaction

91. We use a range of methods to measure customer satisfaction with the service. This includes direct feedback questionnaires collected from customers immediately after their visit and analysis of complaints. A postal and online survey of citizens' panel members was last carried out in December 2010 and is scheduled to be repeated in Autumn 2012, so no data is available for the 2011-12 year under review.
92. Satisfaction with customer service is also measured through a face to face survey of residents held every two years. However, this provides feedback about customer satisfaction with the council overall, and cannot distinguish between satisfaction with staff and with the contractor; hence it cannot be used for this contractor review.
93. Customer feedback forms are displayed in the reception area, and staff are asked to encourage customers to provide feedback before leaving. Between April 2011 and March 2012, 720 feedback forms were completed. A good mixture of men and women, and people of different age groups and ethnicities took part as well as customers with disabilities.
94. Customers were asked 'Overall, how satisfied were you with the way in which your enquiry was handled at reception?'. Of those who took part, 96 per cent were satisfied and 3 per cent were dissatisfied overall as shown below.

| Very satisfied | Satisfied | Neither satisfied or dissatisfied | Dissatisfied | Very dissatisfied |
|----------------|-----------|-----------------------------------|--------------|-------------------|
| 85% | 11% | 1% | 1% | 2% |

(Base: 720 completed customer feedback forms)

95. Other feedback collected also suggests high levels of satisfaction with the following aspects of service provision; 'being polite', 'being welcoming', 'being professional', 'being helpful', 'greeting you with a smile', 'having a good attitude'. Of the 720 responses received, only 15 rated one or more of these aspects as poor or very poor. Similarly just nine people said their needs were not met in a positive manner at reception. Satisfaction with waiting times was high. The majority who took part said they were seen by reception staff straight away with just 28 people saying they had to wait more than five minutes. Ninety-seven per cent were satisfied with the length of time they had to wait before reception staff dealt with their enquiry whilst one per cent were dissatisfied. By industry standards, these results collectively represent extremely high customer satisfaction.
96. Using the calculation formula in the guidance accompanying this process the overall customer satisfaction score is 4.76 out of 5.
97. We hold monthly contract meetings specifically to discuss customer service, and any issues arising are dealt with through these meetings if they have not already been resolved informally.
98. During the year, no complaints were received about the switchboard or front of house service.

99. This year’s customer satisfaction results are higher than previous years probably because this year there were no Citizens’ Panel or relevant resident survey data to include, and these latter data usually produce lower customer satisfaction results. Based on the contractor’s performance of 4.76, the the Head of HR, IT and Customer Services has made a judgement on customer satisfaction as follows:

Customer satisfaction judgement

| |
|------------------|
| Excellent |
|------------------|

Previous Customer satisfaction judgement for comparison

| |
|-------------|
| Fair |
|-------------|

Dimension 3 – Council satisfaction

100. An analysis of council satisfaction performance appears in appendix 7, as judged by the customer service contract manager in consultation with relevant colleagues.

101. This produced a score of **4.2** out of a maximum score of **5.0**. Based on this performance, the Head of HR, IT and Customer Services made the following judgement on Capita’s delivery of council satisfaction:

Council satisfaction judgement

| |
|-------------|
| Good |
|-------------|

Previous Council satisfaction judgement for comparison

| |
|-------------|
| Good |
|-------------|

Overall assessment

102. Taking into account the performance of Capita against KPTs, customer satisfaction and council satisfaction, the the Head of HR, IT and Customer Services has made an overall judgement as follows. Recognising the high importance of customer satisfaction, this dimension is accorded greater weight in the judgement.

Overall assessment

| |
|------------------|
| Excellent |
|------------------|

Previous Overall assessment for comparison

| |
|-------------|
| Good |
|-------------|

Strengths and areas for improvement

103. **Appendix 7** records strengths and areas for improvement relating to the performance of Capita during the review period. Where performance is lower than that expected the contract manager will agree an improvement plan with Capita. This has not been required for this element of the contract.

Contractor's feedback

104. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to council processes. This is included in for the contract as a whole in **Appendix 9**.

CONCESSIONARY FARES

Dimension 1 – Key performance targets (KPTs)

105. Capita administered the national bus pass scheme on behalf of the council. Generally, the national scheme is administered from the contact centre in Coventry, whilst the arrangements for lost bus passes are administered in the council offices.
106. As far as the national bus pass scheme is concerned, Capita is required to (i) order new passes within three working days of a completed application being received;(ii) update the customer database records within three working days of changes being received; (iii) request replacement bus passes within three days of a request being made. Against all these KPT's Capita generally achieved full compliance during 2011/12.
107. Capita handled 3,498 telephone calls at its Coventry contact centre during the year. It managed to answer 83 per cent of these calls within 20 seconds (the target being 80 per cent).
108. Based on this performance the head of service has made a judgement on KPT performance for concessionary fares as follows:

| | |
|---------------------------------------|------------------|
| KPT judgement | Excellent |
| Previous KPT judgement for comparison | Excellent |

Dimension 2 – Customer satisfaction

109. No customer satisfaction survey was undertaken during the year so it was not possible to gauge satisfaction levels on service administration.
110. However, no customer complaints were received in respect of the assisted travel service during the course of the year.
111. Based on this performance, the head of service has made a judgement on customer satisfaction for concessionary fares as follows:

| | |
|---|------------------|
| Customer satisfaction judgement | Excellent |
| Previous Customer satisfaction judgement for comparison | Good |

Dimension 3 – Council satisfaction

112. Whilst customer satisfaction is an important priority, a further important dimension is the satisfaction expressed by the council as the client on whether the contractor is meeting its needs and expectations. These needs and expectations have been measured using the model for reviewing performance of contractors and are attached as **Appendix 8**.

113. This produced a score of **4.36** out of a maximum score of **5.0**. Based on this performance, the Head of Finance made the following judgement on Capita's delivery of council satisfaction:

Council satisfaction judgement

Excellent

Previous Council satisfaction judgement for comparison

Excellent

Overall assessment

114. Taking into account the performance of Capita against KPT's, customer satisfaction and council satisfaction, the head of service has made an overall judgement as follows.

Overall assessment

Excellent

Previous Overall assessment for comparison

Excellent

Strengths and areas for improvement

115. **Appendix 8** records strengths and areas for improvement relating to the performance of Capita during the review period. Where performance is lower than that expected the contract manager will agree an improvement plan with Capita. This has not been required for this element of the contract.

Contractor's feedback

116. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to the council processes. This is included in **Appendix 9**.

FINANCIAL IMPLICATIONS

117. The contract with Capita incorporates a payment and performance mechanism. Issues around the exact application of the mechanism and the changes going forward are the responsibility of the Operational Board.

LEGAL IMPLICATIONS

118. There are no legal implications arising from this report.

CONCLUSION

119. The Head of Finance has assessed Capita's performance as follows for its delivery of the financial services contract:

- Revenues – **excellent** (10/11 – excellent)
- Benefits – **excellent** (10/11 – good)
- Exchequer (accounts payable, accounts receivable, excess charges collection) – **excellent** (10/11 – excellent)
- Financial management system – **good** (10/11 good)
- Payroll – **excellent** (10/11 – excellent)
- Customer Contact – **excellent** (10/11 – good)
- Concessionary fares (assisted travel) – **excellent** (10/11 excellent)

120. There has once again been an improvement in the quality of the financial services provided by Capita during 2011/12 – it has definitely been the best year since the inception of the contract and Capita should be congratulated. Benefits especially saw a marked improvement with all speed of processing targets being met for the first time and financial accuracy improving once again. The governance process will continue to vigorously monitor the contract, and this, along with the commitment pledged by Capita management should help maintain and improve service provision in the future.

| Performance Targets | 2010/11 Target | 2010/11 Achieved | 2011/12 Target | 2011/12 Achieved |
|---|-----------------------|-------------------------|-----------------------|-------------------------|
| Percentage of Council Tax collected | 98.60% | 98.65% | 98.60% | 98.64% |
| Percentage of NDR collected | 99.40% | 98.75% | 99.40% | 98.55% |
| Average time (days) for processing new benefit claims. | 19 | 20.13 | 19 | 17.84 |
| Average time (days) for processing benefit changes in circumstances | 9.5 | 11.79 | 9.5 | 8.63 |
| N181 Average time (days) for processing new claims and changes in circumstances | 13 | 12.81 | 13 | 9.86 |
| Financial accuracy of benefit assessments | 95% | 94.14% | 95% | 96.03% |

Council satisfaction – Revenues

This assessment allows the council (as a client) to record its own satisfaction with aspects of a contractor's performance which lie outside Key Performance Targets and customer satisfaction. Each officer with direct knowledge and who frequently interacts with the contractor should complete this form. Questions can be left blank if not relevant to a contract or contractor.

Contractor / supplier / partner name | Capita

From (date) | 1 April 2011 | To | 31 March 2012

SERVICE DELIVERY

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|--|--------------------|---------------|-------------|-------------------|--------------------|
| 1 Understanding of the client's needs | ✓ | | | | |
| 2 Response time | ✓ | | | | |
| 3 Delivers to time | | ✓ | | | |
| 4 Delivers to budget | ✓ | | | | |
| 5 Efficiency of invoicing | | ✓ | | | |
| 6 Approach to health & safety | ✓ | | | | |
| 7 Supports the council's plans for joint working | ✓ | | | | |
| 8 * | | | | | |

* These spaces are deliberately left blank for the addition of any performance criteria which are specific to this particular contract / service.

COMMUNICATIONS AND RELATIONS

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 9 Easy to deal with | ✓ | | | | |
| 10 Communications / keeping the client informed | | ✓ | | | |
| 11 Quality of written documentation | ✓ | | | | |
| 12 Compliance with Council's corporate identity | | ✓ | | | |
| 13 Listening | ✓ | | | | |
| 14 Quality of relationship | ✓ | | | | |

IMPROVEMENT AND INNOVATION

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 15 Offers suggestions beyond the scope of work | | ✓ | | | |
| 16 Degree of innovation | | ✓ | | | |
| 17 Goes the extra mile | | ✓ | | | |
| 18 Supports the Council's sustainability objectives | | ✓ | | | |
| 19 Supports the Council's equality objectives | ✓ | | | | |
| 20 Degree of partnership working | ✓ | | | | |

KEY DOCUMENTS

If required, has the contractor provided the Council with annual updates of the following documents?

- | | |
|--|--------------------------|
| 1. Annual Corporate Governance Assurance Statement? (Yes / No) | <input type="checkbox"/> |
| 2. Updated risk register (Yes / No) | <input type="checkbox"/> |
| 3. Annual business plan (Yes / No) | <input type="checkbox"/> |
| 4. Updated business continuity plan (Yes / No) | <input type="checkbox"/> |

STRENGTHS AND AREAS FOR IMPROVEMENT

| | |
|-----------------------|--|
| Strengths | Revenues management and support to the manager |
| | Knowledge and commitment of staff |
| | |
| | |
| Areas for improvement | Responses to FOI requests |
| | |
| | |

COUNCIL SATISFACTION ASSESSMENT

| | Very satisfied (5) | Satisfied (4) | Neither (3) | Dissatisfied (2) | Very dissatisfied (1) | Votes cast |
|--|-----------------------|------------------|----------------|---------------------|--------------------------|------------|
| | 11 | 8 | 0 | 0 | 0 | 19 |

| Rating | Range | Votes | Weighting | Total weighted |
|-----------------------------------|------------|-------|-----------|----------------|
| Very satisfied | 5.0 | 11 | X 5 | 55 |
| Satisfied | 4.3 | 8 | X 4 | 32 |
| Neither satisfied or dissatisfied | 3.9 | 0 | X 3 | 3 |
| Dissatisfied | 3.4 | 0 | X 2 | 0 |
| Very dissatisfied | 3.0 | 0 | X 1 | 0 |

| | | | | |
|-------|--|-----------|--|-----------|
| Total | | 19 | | 87 |
|-------|--|-----------|--|-----------|

Calculation: $87 \div 19 = 4.58$

For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:

| | | | | | |
|----------------|------------------|-----------|-----------|-----------|------|
| Score | 4.3 – 5.0 | 3.9 – 4.3 | 3.4 – 3.9 | 3.0 – 3.4 | <3.0 |
| Classification | Excellent | Good | Fair | Weak | Poor |

Council satisfaction –Benefits

SERVICE DELIVERY

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|--|--------------------|---------------|-------------|-------------------|--------------------|
| 1 Understanding of the client's needs | ✓ | | | | |
| 2 Response time | | ✓ | | | |
| 3 Delivers to time | | ✓ | | | |
| 4 Delivers to budget | ✓ | | | | |
| 5 Efficiency of invoicing | ✓ | | | | |
| 6 Approach to health & safety | ✓ | | | | |
| 7 Supports the council's plans for joint working | ✓ | | | | |
| 8 * | | | | | |

* These spaces are deliberately left blank for the addition of any performance criteria which are specific to this particular contract / service.

COMMUNICATIONS AND RELATIONS

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 9 Easy to deal with | ✓ | | | | |
| 10 Communications / keeping the client informed | | ✓ | | | |
| 11 Quality of written documentation | | ✓ | | | |
| 12 Compliance with Council's corporate identity | | ✓ | | | |
| 13 Listening | ✓ | | | | |
| 14 Quality of relationship | ✓ | | | | |

IMPROVEMENT AND INNOVATION

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 15 Offers suggestions beyond the scope of work | | ✓ | | | |
| 16 Degree of innovation | | ✓ | | | |
| 17 Goes the extra mile | | ✓ | | | |
| 18 Supports the Council's sustainability objectives | | ✓ | | | |

| | | | | | |
|---|---|--|--|--|--|
| 19 Supports the Council's equality objectives | ✓ | | | | |
| 20 Degree of partnership working | ✓ | | | | |

KEY DOCUMENTS

If required, has the contractor provided the Council with annual updates of the following documents?

- | | |
|--|--|
| 1. Annual Corporate Governance Assurance Statement? (Yes / No) | |
| 2. Updated risk register (Yes / No) | |
| 3. Annual business plan (Yes / No) | |
| 4. Updated business continuity plan (Yes / No) | |

STRENGTHS AND AREAS FOR IMPROVEMENT

| | |
|-----------|---------------------------|
| Strengths | Equality awareness |
| | Surgeries/home visiting |
| | Keenness of off-site team |
| | Liaison with housing |

| | |
|-----------------------|--|
| Areas for improvement | Keeping call centre up to date with benefits changes |
| | |

COUNCIL SATISFACTION ASSESSMENT

| | Very satisfied (5) | Satisfied (4) | Neither (3) | Dissatisfied (2) | Very dissatisfied (1) | Votes cast |
|--|-----------------------|------------------|----------------|---------------------|--------------------------|------------|
| | 10 | 9 | 0 | 0 | 0 | 19 |

| Rating | Range | Votes | Weighting | Total weighted |
|-----------------------------------|------------|-------|-----------|----------------|
| Very satisfied | 5.0 | 10 | X 5 | 50 |
| Satisfied | 4.3 | 9 | X 4 | 36 |
| Neither satisfied or dissatisfied | 3.9 | 0 | X 3 | 0 |
| Dissatisfied | 3.4 | 0 | X 2 | 0 |
| Very dissatisfied | 3.0 | 0 | X 1 | 0 |

| | | | |
|-------|-----------|--|-----------|
| Total | 19 | | 86 |
|-------|-----------|--|-----------|

Calculation: $86 \div 19 = 4.53$

For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:

| | | | | | |
|----------------|------------------|-----------|-----------|-----------|------|
| Score | 4.3 – 5.0 | 3.9 – 4.3 | 3.4 – 3.9 | 3.0 – 3.4 | <3.0 |
| Classification | Excellent | Good | Fair | Weak | Poor |

Council satisfaction – Exchequer

SERVICE DELIVERY

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|--|--------------------|---------------|-------------|-------------------|--------------------|
| 1 Understanding of the client's needs | ✓ | | | | |
| 2 Response time | | ✓ | | | |
| 3 Delivers to time | | ✓ | | | |
| 4 Delivers to budget | ✓ | | | | |
| 5 Efficiency of invoicing | ✓ | | | | |
| 6 Approach to health & safety | ✓ | | | | |
| 7 Supports the Council's plans for joint working | ✓ | | | | |
| 8 Contingency plans | | ✓ | | | |

COMMUNICATIONS AND RELATIONS

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 9 Easy to deal with | ✓ | | | | |
| 10 Communications / keeping the client informed | | ✓ | | | |
| 11 Quality of written documentation | | ✓ | | | |
| 12 Compliance with Council's corporate identity | | ✓ | | | |
| 13 Listening | | ✓ | | | |
| 14 Quality of relationship | ✓ | | | | |

IMPROVEMENT AND INNOVATION

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 15 Offers suggestions beyond the scope of work | | ✓ | | | |
| 16 Degree of innovation | | ✓ | | | |
| 17 Goes the extra mile | | ✓ | | | |
| 18 Supports the Council's sustainability objectives | ✓ | | | | |

| | | | | | |
|---|---|--|--|--|--|
| 19 Supports the Council's equality objectives | ✓ | | | | |
| 20 Degree of partnership working | ✓ | | | | |

KEY DOCUMENTS

If required, has the contractor provided the Council with annual updates of the following documents?

- | | |
|--|--|
| 1. Annual Corporate Governance Assurance Statement? (Yes / No) | |
| 2. Updated risk register (Yes / No) | |
| 3. Annual business plan (Yes / No) | |
| 4. Updated business continuity plan (Yes / No) | |

STRENGTHS AND AREAS FOR IMPROVEMENT

| | |
|-----------------------|--|
| Strengths | Processing of standard basic functions for AP and AR |
| | Keeness of staff |
| | |
| Areas for improvement | |
| | |
| | |

COUNCIL SATISFACTION ASSESSMENT

| | Very satisfied (5) | Satisfied (4) | Neither (3) | Dissatisfied (2) | Very dissatisfied (1) | Votes cast |
|--|-----------------------|------------------|----------------|---------------------|--------------------------|------------|
| | 10 | 10 | 0 | 0 | 0 | 20 |

| Rating | Range | Votes | Weighting | Total weighted |
|-----------------------------------|------------|-------|-----------|----------------|
| Very satisfied | 5.0 | 10 | X 5 | 50 |
| Satisfied | 4.3 | 10 | X 4 | 40 |
| Neither satisfied or dissatisfied | 3.9 | 0 | X 3 | 0 |
| Dissatisfied | 3.4 | 0 | X 2 | 0 |
| Very dissatisfied | 3.0 | 0 | X 1 | 0 |

| | | | | |
|--------------|-----------|--|--|-----------|
| Total | 20 | | | 90 |
|--------------|-----------|--|--|-----------|

Calculation: $90 \div 20 = 4.5$

For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:

| | | | | | |
|----------------|------------------|-----------|-----------|-----------|------|
| Score | 4.3 – 5.0 | 3.9 – 4.3 | 3.4 – 3.9 | 3.0 – 3.4 | <3.0 |
| Classification | Excellent | Good | Fair | Weak | Poor |

Council satisfaction – FMS

This assessment allows the Council (as a client) to record its own satisfaction with aspects of a contractor's performance which lie outside Key Performance Targets and customer satisfaction. Each officer with direct knowledge and who frequently interacts with the contractor should complete this form. Questions can be left blank if not relevant to a contract or contractor.

Contractor / supplier / partner name | Capita

From (date) | 1 April 2011 | To | 31 March 2012

SERVICE DELIVERY

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|--|--------------------|---------------|-------------|-------------------|--------------------|
| 1 Understanding of the client's needs | | √ | | | |
| 2 Response time | | √ | | | |
| 3 Delivers to time | | √ | | | |
| 4 Delivers to budget | | √ | | | |
| 5 Efficiency of invoicing | | √ | | | |
| 6 Approach to health & safety | | √ | | | |
| 7 Supports the Council's plans for joint working | | √ | | | |
| 8 *Contingency plans | | √ | | | |

* These spaces are deliberately left blank for the addition of any performance criteria which are specific to this particular contract / service.

COMMUNICATIONS AND RELATIONS

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 9 Easy to deal with | | √ | | | |
| 10 Communications / keeping the client informed | | √ | | | |
| 11 Quality of written documentation | | √ | | | |
| 12 Compliance with Council's corporate identity | | | √ | | |
| 13 Listening | | √ | | | |
| 14 Quality of relationship | | √ | | | |

IMPROVEMENT AND INNOVATION

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 15 Offers suggestions beyond the scope of work | | | √ | | |
| 16 Degree of innovation | | √ | | | |
| 17 Goes the extra mile | | √ | | | |
| 18 Supports the Council's sustainability objectives | | √ | | | |
| 19 Supports the Council's equality objectives | | √ | | | |
| 20 Degree of partnership working | | √ | | | |

KEY DOCUMENTS

If required, has the contractor provided the Council with annual updates of the following documents?

- | | |
|--|-----|
| 1. Annual Corporate Governance Assurance Statement? (Yes / No) | |
| 2. Updated risk register (Yes / No) | |
| 3. Annual business plan (Yes / No) | |
| 4. Updated business continuity plan (Yes / No) | Yes |

STRENGTHS AND AREAS FOR IMPROVEMENT

| | |
|-----------------------|--|
| Strengths | <p>Good relationships with system administration team at Mendip,</p> <p>Generally helpful, pleasant staff – this is not to be underrated as a strength.</p> <p>Upgrade to v 5.5.3 in May 2011 has produced improvements – especially for web clients</p> |
| Areas for improvement | <p>Working with the client and understanding the client's needs.</p> <p>Proactive development of FMS</p> <p>Resilience in the event of handover of responsibilities</p> |

COUNCIL SATISFACTION ASSESSMENT

| | Very satisfied (5) | Satisfied (4) | Neither (3) | Dissatisfied (2) | Very dissatisfied (1) | Votes cast |
|--|-----------------------|------------------|----------------|---------------------|--------------------------|------------|
| | 0 | 18 | 2 | 0 | 0 | 20 |

| Rating | Range | Votes | Weighting | Total weighted |
|-----------------------------------|------------|-------|-----------|----------------|
| Very satisfied | 5.0 | 0 | X 5 | 0 |
| Satisfied | 4.3 | 18 | X 4 | 72 |
| Neither satisfied or dissatisfied | 3.9 | 2 | X 3 | 6 |
| Dissatisfied | 3.4 | 0 | X 2 | 0 |
| Very dissatisfied | 3.0 | 0 | X 1 | 0 |

| | | | | |
|-------|--|-----------|--|-----------|
| Total | | 20 | | 78 |
|-------|--|-----------|--|-----------|

Calculation: $78 \div 20 = 3.90$

For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:

| | | | | | |
|----------------|-----------|------------------|-----------|-----------|------|
| Score | 4.3 – 5.0 | 3.9 – 4.3 | 3.4 – 3.9 | 3.0 – 3.4 | <3.0 |
| Classification | Excellent | Good | Fair | Weak | Poor |

Review of Performance of Payroll

SERVICE DELIVERY

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|--|--------------------|---------------|-------------|-------------------|--------------------|
| 1 Understanding of the client's needs | √ | | | | |
| 2 Response time | √ | | | | |
| 3 Delivers to time | √ | | | | |
| 4 Delivers to budget | ✓ | | | | |
| 5 Efficiency of invoicing | ✓ | | | | |
| 6 Approach to health & safety | ✓ | | | | |
| 7 Supports the Council's plans for joint working | ✓ | | | | |
| 8 * | | | | | |

* These spaces are deliberately left blank for the addition of any performance criteria which are specific to this particular contract / service.

COMMUNICATIONS AND RELATIONS

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 9 Easy to deal with | | √ | | | |
| 10 Communications / keeping the client informed | | √ | | | |
| 11 Quality of written documentation | | √ | | | |
| 12 Compliance with Council's corporate identity | | √ | | | |
| 13 Listening | √ | | | | |
| 14 Quality of relationship | √ | | | | |

IMPROVEMENT AND INNOVATION

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 15 Offers suggestions beyond the scope of work | √ | | | | |
| 16 Degree of innovation | √ | | | | |
| 17 Goes the extra mile | √ | | | | |
| 18 Supports the Council's sustainability objectives | | √ | | | |
| 19 Supports the Council's equality objectives | | √ | | | |
| 20 Degree of partnership working | √ | | | | |

COUNCIL SATISFACTION ASSESSMENT

| | Very satisfied (5) | Satisfied (4) | Neither (3) | Dissatisfied (2) | Very dissatisfied (1) | Votes cast |
|--|--------------------|---------------|-------------|------------------|-----------------------|------------|
| | 13 | 6 | 0 | 0 | 0 | 19 |

| Rating | Range | Votes | Weighting | Total weighted |
|-----------------------------------|------------|-------|-----------|----------------|
| Very satisfied | 5.0 | 13 | X 5 | 65 |
| Satisfied | 4.3 | 6 | X 4 | 24 |
| Neither satisfied or dissatisfied | 3.9 | 0 | X 3 | 0 |
| Dissatisfied | 3.4 | 0 | X 2 | 0 |
| Very dissatisfied | 3.0 | 0 | X 1 | 0 |

| | | | | |
|--------------|-----------|--|--|-----------|
| Total | 19 | | | 89 |
|--------------|-----------|--|--|-----------|

Calculation: $89 \div 19 = 4.68$

For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:

| | | | | | |
|----------------|------------------|-----------|-----------|-----------|------|
| Score | 4.3 – 5.0 | 3.9 – 4.3 | 3.4 – 3.9 | 3.0 – 3.4 | <3.0 |
| Classification | Excellent | Good | Fair | Weak | Poor |

Review of Performance of Switchboard and Reception Services

SERVICE DELIVERY

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---------------------------------------|--------------------|---------------|-------------|-------------------|--------------------|
| 1 Understanding of the client's needs | ✓ | | | | |
| 2 Response time | | ✓ | | | |
| 3 Delivers to time | | ✓ | | | |
| 4 Delivers to budget | ✓ | | | | |
| 5 Efficiency of invoicing | ✓ | | | | |
| 6 Approach to health & safety | | ✓ | | | |
| 7 * | | | | | |
| 8 * | | | | | |

* These spaces are deliberately left blank for the addition of any performance criteria which are specific to this particular contract / service.

COMMUNICATIONS AND RELATIONS

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 9 Easy to deal with | ✓ | | | | |
| 10 Communications / keeping the client informed | ✓ | | | | |
| 11 Quality of written documentation | | ✓ | | | |
| 12 Compliance with Council's corporate identity | | ✓ | | | |
| 13 Listening | | ✓ | | | |
| 14 Quality of relationship | ✓ | | | | |

IMPROVEMENT AND INNOVATION

| Attribute | (5) Very | (4) | (3) Neither | (2) Dis- | (1) Very |
|-----------|----------|-----|-------------|----------|----------|
|-----------|----------|-----|-------------|----------|----------|

Agenda Item 1 Appendix 7

| | satisfied | Satisfied | satisfied | dissatsfd |
|---|-----------|-----------|-----------|-----------|
| 15 Offers suggestions beyond the scope of work | | | ✓ | |
| 16 Degree of innovation | | | ✓ | |
| 17 Goes the extra mile | | ✓ | | |
| 18 Supports the Council's sustainability objectives | | | ✓ | |
| 19 Supports the Council's equality objectives | | ✓ | | |
| 20 Degree of partnership working | | ✓ | | |

STRENGTHS AND AREAS FOR IMPROVEMENT

Strengths

The front of house team delivers a good professional service to customers, and has proved to be flexible during the launch of new initiatives. The team leader keeps the customer service contract manager well informed and always demonstrates a desire to offer a high quality service. The feedback from customer feedback forms is excellent

The switchboard service is generally efficient and meets most SLAs. There have been no customer complaints this year

Areas for improvement

The council would like to see a more co-operative and sometimes more timely approach from Capita when it comes to making changes, such as updating the SLA, and responding to our change requests (agreed with the council's wider contract manager) to update switchboard greetings and call-flow.

COUNCIL SATISFACTION ASSESSMENT

| | Very satisfied (5) | Satisfied (4) | Neither (3) | Dissatisfied (2) | Very dissatisfied (1) | Votes cast |
|--|-----------------------|------------------|----------------|---------------------|--------------------------|------------|
| | 6 | 9 | 3 | 0 | 0 | 18 |

| Rating | Range | Votes | Weighting | Total weighted |
|-----------------------------------|--------------|--------------|------------------|-----------------------|
| Very satisfied | 5.0 | 6 | X 5 | 30 |
| Satisfied | 4.3 | 9 | X 4 | 36 |
| Neither satisfied or dissatisfied | 3.9 | 3 | X 3 | 9 |
| Dissatisfied | 3.4 | 0 | X 2 | 0 |
| Very dissatisfied | 3.0 | 0 | X 1 | 0 |
| Total | | 18 | | 75 |

Calculation: $75 \div 18 = 4.2$

For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:

| | | | | | |
|----------------|-----------|------------------|-----------|-----------|------|
| Score | 4.3 – 5.0 | 3.9 – 4.3 | 3.4 – 3.9 | 3.0 – 3.4 | <3.0 |
| Classification | Excellent | Good | Fair | Weak | Poor |

Review of Concessionary Fares (Assisted Travel)

SERVICE DELIVERY

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|--|--------------------|---------------|-------------|-------------------|--------------------|
| 1 Understanding of the client's needs | ✓ | | | | |
| 2 Response time | ✓ | | | | |
| 3 Delivers to time | ✓ | | | | |
| 4 Delivers to budget | ✓ | | | | |
| 5 Efficiency of invoicing | ✓ | | | | |
| 6 Approach to health & safety | ✓ | | | | |
| 7 Supports the council's plans for joint working | ✓ | | | | |
| 8 * | | | | | |

* These spaces are deliberately left blank for the addition of any performance criteria which are specific to this particular contract / service.

COMMUNICATIONS AND RELATIONS

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 9 Easy to deal with | ✓ | | | | |
| 10 Communications / keeping the client informed | ✓ | | | | |
| 11 Quality of written documentation | | ✓ | | | |
| 12 Compliance with Council's corporate identity | ✓ | | | | |
| 13 Listening | | | ✓ | | |
| 14 Quality of relationship | ✓ | | | | |

IMPROVEMENT AND INNOVATION

| Attribute | (5) Very satisfied | (4) Satisfied | (3) Neither | (2) Dis-satisfied | (1) Very dissatsfd |
|---|--------------------|---------------|-------------|-------------------|--------------------|
| 15 Offers suggestions beyond the scope of work | | | ✓ | | |
| 16 Degree of innovation | | | ✓ | | |
| 17 Goes the extra mile | | ✓ | | | |
| 18 Supports the Council's sustainability objectives | | ✓ | | | |
| 19 Supports the Council's equality objectives | | ✓ | | | |
| 20 Degree of partnership working | | | ✓ | | |

COUNCIL SATISFACTION ASSESSMENT

| | Very satisfied (5) | Satisfied (4) | Neither (3) | Dissatisfied (2) | Very dissatisfied (1) | Votes cast |
|--|-----------------------|------------------|----------------|---------------------|--------------------------|------------|
| | 11 | 4 | 4 | 0 | 0 | 19 |

| Rating | Range | Votes | Weighting | Total weighted |
|-----------------------------------|------------|-------|-----------|----------------|
| Very satisfied | 5.0 | 11 | X 5 | 55 |
| Satisfied | 4.3 | 4 | X 4 | 16 |
| Neither satisfied or dissatisfied | 3.9 | 4 | X 3 | 12 |
| Dissatisfied | 3.4 | 0 | X 2 | 0 |
| Very dissatisfied | 3.0 | 0 | X 1 | 0 |

| | | | | |
|--------------|-----------|--|--|-----------|
| Total | 19 | | | 83 |
|--------------|-----------|--|--|-----------|

Calculation: $83 \div 19 = 4.36$

For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:

| Score | 4.3 – 5.0 | 3.9 – 4.3 | 3.4 – 3.9 | 3.0 – 3.4 | <3.0 |
|----------------|------------------|-----------|-----------|-----------|------|
| Classification | Excellent | Good | Fair | Weak | Poor |

Contractor 360° feedback

CONTRACTOR'S REACTION / FEEDBACK ON COUNCIL'S ASSESSMENT

Capita is pleased to be given the opportunity to feedback on the findings of this annual report. The contents whilst not always positive are a very valuable tool to:

- Enable key service areas to meet and reflect across a whole year
- Understand, in the context of an overall contract, the positives and negatives
- Identify learning points from both organisations' point of view, to enable the service to be developed and improved as time progresses
- Document, for councillors, a good picture of the overall contract.

Capita is fully committed to this process, and believes it can be one very important tool for improving service to customers.

The Revenues service has again delivered excellent collection rates for the Council despite the continued financial pressures on residents and businesses. This is due to the excellent teamwork and dedication shown by the whole team. Towards the end of 11/12 Capita introduced some more e-media based service offerings which should benefit the customers who utilise those options, early feedback appears to be positive but the coming months will provide more robust evidence of the effects of these innovations. The comments regarding FOI requests were justified for 11/12 but I am happy to report that process changes have led to significant improvements in this area.

The Benefit service made significant progress during 11/12 and that trend has continued into 12/13 due to the many process changes introduced during the year. The hard work of all the staff has put us in a good position to be able to face the many challenges which government policy has laid before the Council.

Despite the good work carried out on a major system upgrade and with one minor exception around the reconciliation issue, I find the FMS review to be disappointing as there appears to be little focus on any positives over the year, in fact the flavour of the feedback seems to say at best 'we couldn't find anything to really complain about'.

I am very pleased with how the transfer of the payroll service has been handled by both sides and there seems to be a very good working relationship. During the coming year we intend to bring in further service improvements to benefit all parties.

Customer services has again performed very well despite the continued pressures brought about by the economic climate.

Concessionary fares had another very good and sadly final year.

Overall Capita is very pleased with the report and we look forward to working closely with the Council to make further improvements in the coming 12 months.

ANY AREAS WHERE CONTRACTOR DISAGREES WITH ASSESSMENT

The issue of reconciliation within the FMS review implies that the problems sat entirely with Capita, this is an unfair reflection as work is also required by the Council as part of this process and there were severe delays in providing this data. I accept that Capita can improve its performance in this area but to totally smooth the process will require improvements on the Council side too. It should also be noted that the team at Mendip have been sitting on a system improvement project for over a year where the delay sits solely with the Council.

The customer service feedback lists as 'an area for improvement' my refusal to agree to a change to the SLAs. The proposed change related to reducing the 99% target to 95% both of which are unachievable and I therefore see no point in making any amendments. I have never queried the removal of redundant KPIs as this is just common sense. I also reserve the right to disagree with proposed changes where they serve no purpose or represent no business improvement. There is also the implication that system changes have been slow but given that Capita have been involved in customer service improvement projects run by the Council which have still not been delivered I feel that this criticism is a little unfair.

WHAT COULD / SHOULD THE COUNCIL DO DIFFERENTLY TO ENABLE THE CONTRACTOR TO DELIVER THE SERVICE MORE EFFICIENTLY / EFFECTIVELY / ECONOMICALLY?

The current working relationship is very healthy and robust

Feedback provided by D Keen

Date 4th October 2012

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