

Scrutiny Committee
14 February 2011

IRVINE, 14 February 2011 - At a Meeting of the Scrutiny Committee of North Ayrshire Council at 2.00 p.m.

Present

John Hunter, Anthea Dickson, Matthew Brown, Alex Gallagher, Anthony Gurney, Pat McPhee and Alan Munro.

In Attendance

I. Mackay, Solicitor to the Council, J. Barrett, IT and Customer Services Manager and E. Gunn, Customer Services Manager (Corporate Services); M. Armstrong, Head of Logistics and Infrastructure, A. Sutton, Manager Information and Culture and A. Maclean, Quality Improvement Officer (Education and Skills); L. Raeside, Head of Finance and Performance (Social Services and Health), S. Humphries, Chief Revenues and Benefits Officer (Finance and Infrastructure), G. Young, Senior Manager Human Resources, A. Osborne, and S. Bale, Policy and Performance Officers and A. Little, Committee Services Officer (Chief Executive's Service).

Chair

Councillor Hunter in the Chair.

Apologies for Absence

Andrew Chamberlain, Jean Highgate and David Munn.

1. Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 16.

2. Minutes

The Minutes of the previous meeting of the Committee held on 31 January 2011 were signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Service Level Agreements

Submitted report by the Solicitor to the Council on the definition of a Service Level Agreement (SLA) and to draw distinctions between a SLA and a Contract for Services.

At its meeting on 17 January 2011, the Scrutiny Committee received a report from the Chief Executive on the subject of SLAs. The Committee agreed (a) to consider the range of SLAs set out in the Appendix to the report; and (b) to take evidence from appropriate officers in relation to their respective SLAs at a future meeting.

Many Council Services provide or receive services through internal arrangements with other Council Services. The service provided is expected to achieve an acceptable standard, often set down in measurable terms. The agreement may also set down monitoring arrangements whereby the "client" can set out how it expects the service to be provided and what steps will be taken to demonstrate compliance.

A SLA is a bilateral agreement that is negotiated between the Services and can be the subject of revision during the course of that agreement. The report detailed the factors a SLA would include.

A Contract for Services is different from a SLA in that it is for the provision of specified services as determined by the client. The service contract will not normally set out how the service will be provided. It will have a value or tariff set for the provision of services and sanctions in the form of liquidate and ascertained damages for non-performance.

Members asked questions and were provided with information in relation to:-

- The distinction between SLAs and contracts;
- The inclusion of financial sanctions within contracts and dispute resolutions in place, via the normal management processes, within SLAs;
- The option for future inclusion of financial sanctions within SLAs, including the ultimate sanction to outsource services.

The Committee agreed that (a) the investigation focus in the first instance on SLAs; and (b) consideration be given at a future date to extend the investigation to include external contracts.

4. Service Level Agreement Investigation: Evidence Session

Submitted report by the Chief Executive on the arrangements for the evidence sessions of the investigation into Service Level Agreements.

At its meeting on 11 October 2010, the Scrutiny Committee approved the Brief for its Investigation into the Council's SLAs with Internal and External Organisations. At a further meeting on 17 January 2011 the Committee considered the range of SLAs set out in the Appendix to the report before it and agreed to take evidence from a selection of appropriate officers in relation to their respective SLAs at a future meeting.

4.1 SLA between Council Tax and Customer Services

The Chief Revenues and Benefits Officer (Finance and Infrastructure) and the Customer Services Manager (IT and Customer Services) provided information on the background to the development of a SLA between Council Tax and Customer Services.

Members asked questions and were provided with information in relation to:-

- The range of continuous improvement practices in place such as monthly performance management reports, actions plans, annual reviews and customer comments to highlight areas for improvement, inform future targets and update the SLA;
- The use of Customer Service performance data to underpin the quality assurance for Council Tax;
- The accepted industry standard for abandoned calls, the effective and efficient staffing levels within the Call Centre and the agreed rate of 90% for Council Tax calls answered;
- The average handling time for calls within the Call Centre and the intention to capture this information for local offices;
- The reasons for customers abandoning calls and for the formation of call queuing;
- The benefits of call-back systems such as Netcall to provide an alternative to call queuing for customers;
- The impact of the introduction of the CRM Lagan system on call handling times and improvements achieved;
- The purchase of a reporting module to allow access to historical data within the CRM Lagan system, testing underway to produce a suite of reports and a demonstration and presentation of this system to Members in March 2011;
- The differing types of calls and customers dealt with by the local offices and the Call Centre and the associated collection costs;
- The use of both temporary and Council Tax and Benefits staff to deal with routine calls allowing experienced Call Centre staff to receive more complex calls during peak times and seasonal fluctuations;
- The financial accounting practice in place to fund the replacement of PCs and other equipment from the Customer Services revenue account;
- The provision of an Action Plan alongside the Certificate of Performance to identify corrective actions;
- The Business Continuity Plan in place to ensure maintenance of service in a variety of unforeseen circumstances, including closure of the Call Centre and loss of the telephone system;
- The inclusion of sanctions within external contracts in respect of response times and fix times; and
- A correction to Appendix 2, Page 31, "December 2010" to read "December 2009".

The Committee agreed that further information in relation to external contract response and fix times be provided to Members.

4.2 SLA between Benefits and Customer Services

The Chief Revenues and Benefits Officer (Finance and Infrastructure) and the Customer Services Manager (IT and Customer Services) provided information on the background to the development of a SLA between Benefits and Customer Services.

Members of the Committee asked questions and were provided with information in relation to:-

- The wording of the Certificate of Performance (Page 48);
- A web-based integrated housing management computer system provided by Northgate called I-world;
- Compliance with relevant legislation, such as data protection, human rights and freedom of information and corporate liability for any breaches in these regulations; and
- The minimal costs associated with disaster recovery.

The Committee agreed that (a) consideration be given to (i) amending the wording of the Certificate of Performance (Page 48); and (ii) rewording Section 5 (Page 43) in relation to adherence to any relevant legislation.

4.3 SLA between Schools and Libraries and IT Services

The Head of Logistics and Infrastructure, the Manager Information and Culture and the Quality Improvement Officer (Education and Skills) and the IT and Customer Services Manager (IT and Customer Services) provided information on the background to the development of a SLA between Education and Skills and IT Services.

Members of the Committee asked questions and were provided with information in relation to:-

- The inclusion of the maintenance and software licensing costs of sizeable projects within the IT Services budget and the ownership of service specific project costs within services' own budgets;
- Project management processes and quality measurements in place to ensure resource and timescale estimates are met and potential risks are minimised;
- The planned review of the SLA between Education and Skills and IT Services for the provision of information and communications technology services to schools and libraries within North Ayrshire that will encompass shared areas of responsibility and pooling of resources;

- Work ongoing to finalise SLAs between Education and Skills and Human Resources and also with Infrastructure and Design Services;
- Service provision from Infrastructure and Design Services and the considerable costs in maintaining schools and libraries and in capital projects;
- The historical practice of internal recharge for internal service provision; and
- The benefits of a standard template for SLAs.

4.4 SLA between Social Services and Health and Human Resources

The Head of Finance and Performance (Social Services and Health) and the Senior Manager (Human Resources) provided information on the background to the development of a SLA between Social Services and Human Resources.

Members of the Committee asked questions and were provided with information in relation to:-

- The requirement to advertise in professional journals and the press for specific vacancies;
- The benefit that Social Services received in developing a robust SLA to set down the roles and responsibilities of each Service".
- The requirement for the provision of Human Resource advice during seasonal holidays when services are generally closed;

4.5 General Discussion

A general discussion took place on the following areas:-

- The range of internal arrangements in place between Services for the provision of service and the view that SLAs would be of benefit for sizeable projects;
- The advantages and disadvantages of a standard SLA between Services of the Council, in place of the informal internal arrangements;
- The move of corporate and generic staffing operations from Education and Skills to Human Resources;
- The merit in removing data reporting from the SLA;
- The Council's PSIF policy and the absence of this within the SLAs examined; and
- A SLA between Housing and Legal Services.

The Committee agreed (a) that the Housing and Legal Services SLA be circulated to Members; (b) the Solicitor to the Council have discussions with the Corporate Directors on the provision of information on SLAs to the Committee; (c) the views of the Committee in respect of the benefits of SLAs for sizeable projects be made known to the Corporate Directors; and (d) the Corporate Director (Finance and Infrastructure) be requested to report to the Committee on the process in place for service provision by Infrastructure and Design Services to other services of the Council.

The meeting ended at 3.55 p.m.