Performance & Finance Select Committee

3 September 2015

Proposal for New Customer Experience

Report by the Executive Director Residents Services and the Director of Customer Services

Executive Summary

In considering Future West Sussex plans, the Council has identified improving the customer experience as a key improvement programme. The attached proposal is focused on meeting this aim.

It sets out a model for a central, professional customer service for the Council. The model will be delivered by:

- Establishing the function, investing in its infrastructure and giving it responsibility for the delivery of some customer activities currently managed by services;
- Continuing to use the Capita contract to provide the contact centre and examining opportunities for any future telephony activities to be transferred where appropriate;
- Investing in the initial enabling technology that is fundamental to delivering the required demand reduction and channel shift in order to deliver efficiency.

It is further proposed to pilot some revised arrangements in selected face to face settings to determine the most suitable models for future provision.

The programme delivers a range of benefits for customers, particularly improving ease of access and increasing the rate at which their queries can be resolved.

In doing this, the Council will also be able to be more efficient, primarily by reducing incoming demand or dealing with it using digital channels.

The programme requires an investment of £1.5m over three years and has profiled delivery of £2.3m cashable savings to be delivered by 2017/18. This is against a target of £3m with the remaining savings to be further profiled once the face to face pilot programme has established a way forward.

The focus for scrutiny

The decisions requested are in the portfolio of the Cabinet Member for Corporate Relations. The Cabinet Member will make his decision in consultation with the Cabinet Member for Finance.

The Select Committee is asked to preview that decision, to consider and comment on the proposal and give its support to the next steps.
Recommendation

That the Committee:

(1) Supports the development of customer services using the model shown in the attached proposal, using the existing contractual arrangements for Capita as the preferred partner for telephony based customer service and creating an in house function

(2) Supports the proposed investment in order to deliver:
- The foundation for a strategic technology platform, and
- The overall implementation and transition of the in-house customer service function

(This requires that £1m is allocated from the Service Transformation Reserve to cover the shortfall in funding in 2015-16 and spending against those investment costs is authorised.)

(3) Supports the proposal for piloting new models of Face-to-Face services.

1. Background

1.1 In November 2014, the Customer Excellence Board, chaired by the Cabinet Member for Corporate Relations, agreed the objectives of the Customer Experience Programme:
- We will provide an excellent customer experience
- Our users will receive a consistent, connected and easy to use service
- We will improve customer satisfaction and make it easier for staff to deliver a great customer experience across all channels.

1.2 The detailed rationale and vision for an improved Customer Experience is set out in the supporting paper at Appendix A and demonstrates that there is a clear need to improve our current response rates and to modernise our service offer.

2. Proposals

2.1 The proposed option is to continue with the current approach to service delivery. Capita currently provides a large proportion of initial contact through the contact centre. The remaining services would be delivered through a core Customer Services Function that would be created over 18 months, followed by a rolling programme of continuous improvement work. The implementation and investment required reflects the strategic and long term nature of the programme.

2.2 This proposal also recognises that there is concurrent activity taking place on the reset of the Capita partnership contract. It makes both commercial and strategic sense to continue on a known path whilst that wider consideration takes place, leaving open a number of future opportunities for further partnership working. This does not preclude any further development work on outsourcing, trust models, joint ventures or other arrangements that may be desirable. At this point, there is not a clear strategy in this area; and so it makes sense to develop this in order to inform any alternative delivery options in the future.
2.3 The programme delivers a range of benefits for customers, particularly improving ease of access, increasing the rate at which their queries can be resolved and generally providing a slicker and quicker level of service. To create a true “single front door” requires a significant shift in the way in which we will carry out our activities and needs to be underpinned by shift in thinking which is more subtle and takes longer to embed.

2.4 The programme delivers its benefits in phases in a range of ways, primarily by reducing incoming demand or dealing with it using digital channels. This approach enables a reduction in resourcing as the demand from our customers changes over time.

2.5 This proposal sets out the first phase of implementation and how savings of £2.3m will be achieved by 2017/18. Further savings remain to be delivered by later activities such as the wider deployment of a revised Face to Face offer which may enable property rationalisation, realisation of savings through the Capita contract and bringing more activity into the Customer Service portfolio.

The full proposal is set out in Appendix A.

3. Alternative Options Considered

3.1 Three options were considered as proposed solutions. These are explored in more detail in Appendix A. The options considered were to:

1. Fully outsource customer services to an external provider
2. Provide the service as an in-house service provision (which may or may not include the in-sourcing of relevant services currently provided by Capita)
3. Continue with current approach, with the most suitable elements of the service provided externally.

At this stage, there has been no consideration of more complex arrangements such as a joint venture or establishing a mutual company or trust. The organisation’s understanding of centralised, multi-channel customer services is not yet mature enough to enable these options to be considered at this time.

4. Issues for consideration by the Select Committee

4.1 The Select Committee is asked to consider the proposed development of the Customer Service Function, the recommended service delivery option and the investment required. It is asked to examine the proposal for piloting new service models in the face to face channel. The Committee is asked to approve the recommendations above.

4.2 The Select Committee is asked to note that a further proposal on the strategic technology platform will be considered at a future Select Committee meeting later this year.
5. **Consultation**

5.1 The development of the outline business case in November 2014 and subsequent work to deliver this proposal has included consultation and engagement with the following:

- Cabinet Board (November 2014, March, July 2015)
- Lead Cabinet Member in all areas
- Member Development Days (October 2014, February, June 2015)
- Corporate Leadership Team
- Senior Managers in key services affected
- Corporate Management Group
- Staff in services, including work on values and customer journeys
- Focus group with customers
- Dialogue with unison

5.2 Cabinet Board and CLT have both endorsed the proposed approach noting the scale and complexity of the programme.

6. **Resource Implications and Value for Money**

6.1 The following tables provide the outline financial case for the programme. Figures have been rounded for simplification - *values too small to show are included in cumulative calculations.

<table>
<thead>
<tr>
<th>Financial year</th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a</strong> Baseline cost</td>
<td>£12.4m</td>
<td>£12.4m</td>
<td>£12.4m</td>
</tr>
<tr>
<td><strong>b</strong> Net annual cost of new service</td>
<td>£12.1m</td>
<td>£11.2m</td>
<td>£10.1m</td>
</tr>
<tr>
<td><strong>c</strong> Annual net saving excl. investment</td>
<td>-£0.3m</td>
<td>-£1.1m</td>
<td>-£2.3m</td>
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<tr>
<td><strong>d</strong> Total cost of investment</td>
<td>£1.2m</td>
<td>£0.3m</td>
<td>£0.0m*</td>
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<tr>
<td><strong>e</strong> Cumulative cost of investment</td>
<td></td>
<td>£1.4m</td>
<td>£1.5m</td>
</tr>
<tr>
<td><strong>f</strong> Annual cost/saving (-) incl. investment</td>
<td>£0.9m</td>
<td>-£0.9m</td>
<td>-£2.3m</td>
</tr>
<tr>
<td><strong>g</strong> Cumulative cost/saving (-) incl. investment</td>
<td>£0.9m</td>
<td>£0.0m*</td>
<td>-£2.2m</td>
</tr>
<tr>
<td><strong>h</strong> Cumulative saving in MTFS</td>
<td>-£0.6m</td>
<td>-£3.0m</td>
<td></td>
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<tr>
<td>Explanation of rows in Financial Summary</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>---------------------------------------------------------------</td>
<td></td>
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<tr>
<td>a  Current cost of services in scope of the proposal</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>b  Forecast cost of future services as a result of proposed changes</td>
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<td></td>
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<tr>
<td>c  Forecast savings as a result of proposed changes (a-b)</td>
<td></td>
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<tr>
<td>d  Investment covers technology for immediate improvements, implementation team, transitional support resources and Capita consultancy.</td>
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<tr>
<td>e  Year on year investment costs (cumulative total of row d)</td>
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<td></td>
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<tr>
<td>f  Annual savings after investment costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g  Year on year cost/saving effect (cumulative total of row f)</td>
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<td></td>
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<tr>
<td>h  Published thematic savings target</td>
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</table>

6.2 The proposal at Appendix A sets out the key outcomes and service improvements that customers can expect to see delivered over the next three years.

7. **Risk Management Implications**

7.1 The programme has a full risk and issues log which has detailed descriptions of these and our management response. The following risks are those which the Select Committee may find of particular relevance to the approval of this proposal.

<table>
<thead>
<tr>
<th>Key risk</th>
<th>Mitigation</th>
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| 1. That services and staff resist the changes proposed because of the perceived threat to their roles, specialism and existing service delivery arrangements, e.g. in safeguarding adults and children | • Engagement with services and staff planned and in progress  
• Complex customer processes (e.g. social care) are proposed for later implementation  
• Communication plan in place and regularly reviewed |
| 2. That the contractual relationship with Capita does not enable efficient or effective development of customer service solutions. And that our approach to demand management may be inhibited by existing practice and key performance indicators in the contract | • Director of Customer Services to manage this aspect of contract services  
• Director is engaged in the current contract review process  
• Capita is a partner in programme delivery and key player in implementation team  
• The programme is engaged in the re-set discussions |
3. The quality of existing data on the provision of customer services within the Council is weak. There is a risk that some of these judgements may be incorrect – with an impact on the level of benefits which may actually be delivered.

- Acknowledged development need as part of implementation
- Judgements are based on benchmarks from other councils and organisations in order to test validity

4. Future benefits in the programme are dependent on further investment in the corporate technology platform. There is a risk that any delay in investment in enabling technology may delay progress in delivering customer services and the benefits outlined.

- Detailed analysis of future requirements is underway
- Initial options appraisal for customer facing systems has been undertaken that will inform the wider review

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8. **Impact of the proposal**

8.1 An Equality Impact Report has been undertaken and is attached as Appendix B. The report identifies no particular negative impacts on residents or specific groups. It notes the programme approach in co-designing solutions with customers as a means by which this may be ensured.

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**Background Papers**

None