



# Proposal - Delivering a new Customer Experience

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October 2015

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## **Executive Summary**

This proposal sets out a model for a central, professional customer service for the Council. It proposes the scope of services to be included, the investment required to drive improved customer experience and sets out the benefits.

This proposal covers the following aspects:

- Service delivery model
- Delivering service improvement benefits
- Delivering efficiency saving benefits
- Investment and implementation

### **Service delivery model**

Our recommendation is that we continue with the current approach to service delivery. Capita currently provides a large proportion of initial contact through the contact centre. It is proposed that we build on this strength by transferring appropriate related activities in phases and enhancing this with a programme of complementary digital offers. This will drive the necessary changes to achieve a desired increase in first contact resolution and can be supported by a performance management regime.

The remaining services would be delivered through a core Customer Services Function (CSF) that would be created over 18 months, followed by a rolling programme of continuous improvement work. This is a far reaching and challenging transformation programme. The implementation and investment required reflects the strategic and long term nature of the programme.

This recommendation 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.

### **Delivering service improvement benefits**

The purpose of the Customer Experience programme is to enable the Council to deliver excellent customer services (consistent, modern, joined up, easy to find and use) to all customers (residents, visitors, businesses, partners and colleagues). This will be achieved by driving down failure demand and increasing channel shift.

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. There is also an active approach to working with customers and key partners on the design of current and future service provision to ensure that we keep pace with the rapidly changing needs and expectations of these groups.

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.

This proposal evidences the need for change and sets out some ambitions for reducing demand, providing more on line opportunities and increasing the rate at which customer enquiries are resolved at a first point of contact.

### **Delivering efficiency saving benefits**

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.

This proposal sets out the first phase of implementation and how the delivery of £2.3m may 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.

Services will feel the benefit of decreased demand and increased self-service. Savings opportunities should be realisable either as cashable savings or release of capacity at a later stage in the “retained” function (i.e. not in the Customer Services Function).

### **Investment and implementation**

This proposal is dependent upon a wider case for investment in a new technology platform for the realisation of the later years’ savings. This platform offers benefits far wider than simply enabling the customer experience programme. It seeks to build a basis for a “whole council” approach that will enable much greater integration. Much of the later savings delivery and realisation of improved customer experience will rest both on the implementation and correct use of new technology and a re-engineered set of customer focussed processes.

Because of its wider, strategic significance for the Council, the proposed technology framework for the future will be considered separately by Cabinet Board later this year. This proposal outlines only those short term investments

that are required to deliver service improvement in the short term (18 months) through the delivery of channel shift and failure demand reduction. It is key that this is seen in this context, providing the building blocks for later development.

Underpinning the structural, process and technological changes is a fundamental programme of cultural change – one that sees a dynamic approach to continuous improvement and systems thinking in examining the value of every process and critically appraising the effort vs. outcome from a customer perspective.

This is a significant commitment by the Council. It presents risks as well as opportunities. Services express nervousness about the scale of the envisaged Customer Services Function and the change that this would mean to working practices. Most are supportive of further IT investment but are less committed to the delivery of benefits to fund this. Accordingly, the programme reflects a savings and investment profile that spans a number of years recognising that the impacts of channel shift and demand reduction will take time to take hold and that any service rationalisation can only *follow* a period of re-design. This will increase the engagement with services but much of this will need to be led by the services themselves going forward.

The decision on the proposal will be made by the Cabinet Member for Corporate Affairs following its preview at the Performance & Finance Select Committee on 3<sup>rd</sup> September 2015.

**The Cabinet Member will be asked to consider:**

- **The progression of the recommended service delivery model, a with Capita continuing as the preferred partner for telephony based activity**
- **The provision of the investment required to deliver the foundation for a strategic technology platform and the overall implementation and transition of the in house customer service function**
- **The progression of a pilot for Face to Face services, with an interim report to Cabinet in spring 2016**
- **The savings profile for benefit delivery and associated risks**
- **The balance of investment and savings benefit.**

## 1. Background

In November 2104, some key aims for the Customer Experience Programme were outlined:

- **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.**

This initiated activity to develop a full business case, noting that all council services were in scope.

This work has been completed encompasses

- An implementation plan for the future customer services proposed
- A model and pilot proposal for the Face to Face channel offered by the service
- Proposal for the enabling technology
- Progress of service improvement activity
- Future delivery options for Customer Services
- Profiled savings delivery plan for the short term and an outline delivery plan for the medium term.

## 2. Delivering Service Improvement

### 2.1 Our Current Customer Experience

The January 2015 Institute for Customer Service (ICS) report on Customer Satisfaction across the UK and all sectors identified three key areas for dissatisfaction:

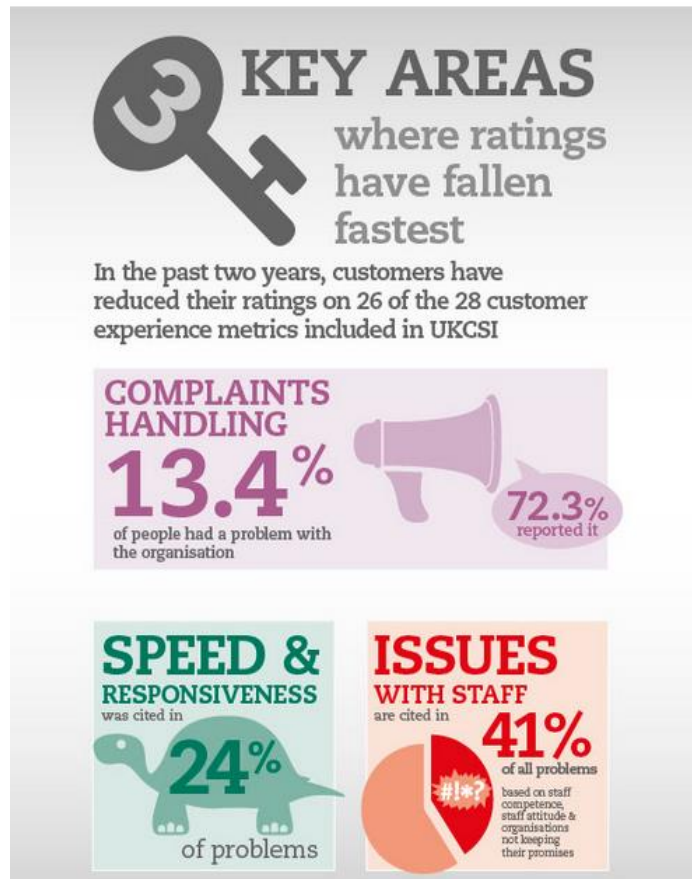
- Complaint handling and a problem with the organisation
- Speed and responsiveness to problems
- Issues with staff attitude and organisations not keeping their promises

These are common issues for many public sector organisations - including this council - and addressing them will require a shift in performance in key areas.

As we have previously reported to the Cabinet Board, there is a lack of quality data on customer contact in many parts of the Council. This case is built on those areas where some data has been available or collected and upon which reasonable assumptions can be made. It is critical that the base data is available if we are to understand our demand and reduce it and also to measure the impact of change. This is included in the proposal.

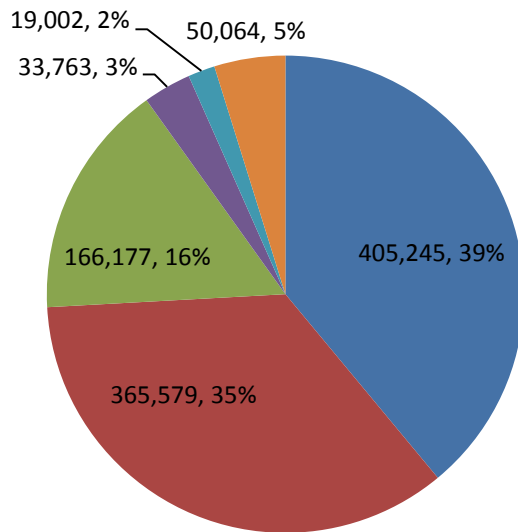
Taking our Top 10 volumes of transactions through the contact centre we know that only 2% of our current contact comes from some form of self-service.

The graph below shows those top 10 transactions divided by contact channel. These contacts represent 75% of the County Council's total contacts.



## How Our Customers Contact Us

■ Calls Inbound ■ Face to face ■ Email ■ Post ■ Online ■ Direct calls



It is clear that this contact does not all end in a good experience.

Conservative analysis of the available data suggests that the call abandonment rate across the Council is an average 5%. Based on the average, it is therefore possible that on some occasions up to 30% of calls end with the customer failing to be connected to someone who can help them.

We estimate that this means:

- An estimated 25,900 abandoned calls each year
- 18,000 disappointed customers a year
- None of these enquiries being resolved at the first point of contact
- Repeat calls and some hand-offs to other organisations (Adur & Worthing Councils' joint contact centre recently observed that 50% of their switchboard calls actually relate to County Council services).

It is reasonable to assume an average failure demand rate of 20-30% whereby a customer makes multiple contacts with the council (based on contact analysis for social care calls). We estimate that this means:

- 114,000 additional calls and 80,000 disappointed customers a year
- 1,265 days capacity being spent on failure demand which could have been avoided.

A reduction in demand on the telephone channel of just 10% in one year by tackling failure demand would equate to 41,000 less calls into the contact centre and 5,000 less calls direct to service areas by customers.

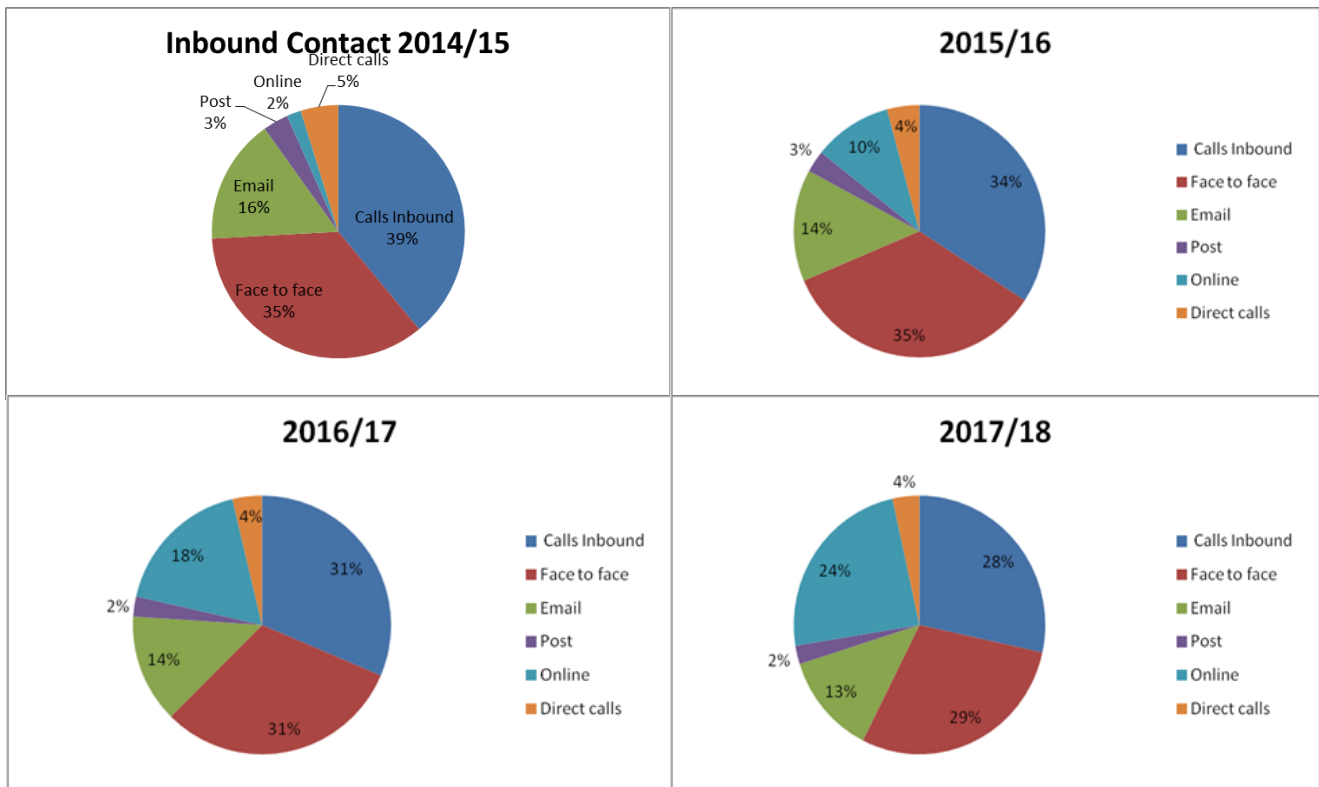
Assuming an average call length of between 5-7 minutes (based on a range from Highways to Social Care) we estimate that 4,800 hours of capacity could be



quickly released through the use of self-service or increased resolution at first point of contact.

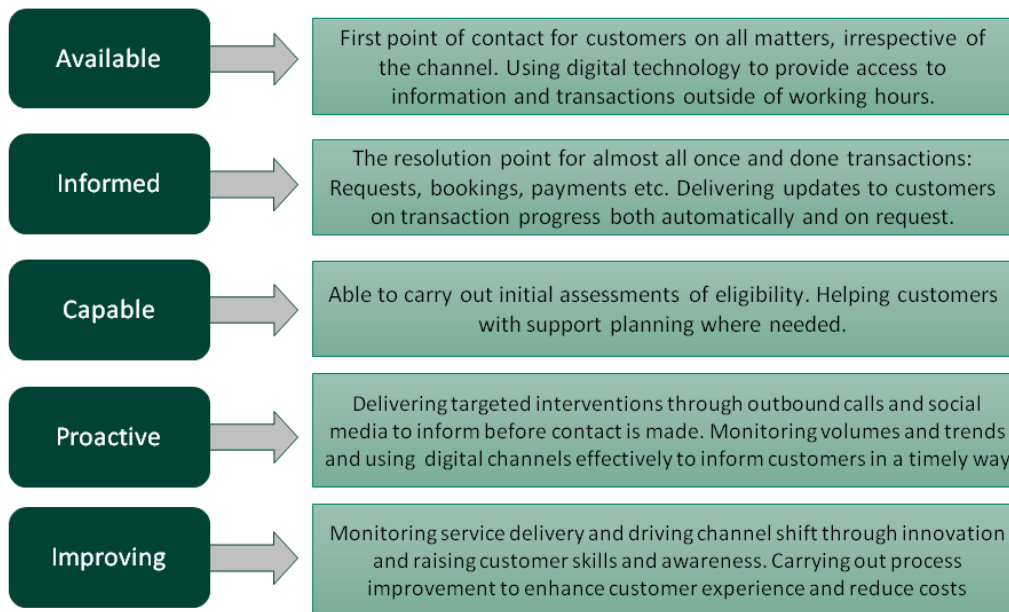
640 days of time currently used to handle one type of inbound call from customers could be avoided completely or resolved through self-service.

To meet these challenges we need to achieve the following substantial shift towards online service delivery:



## 2.2 Vision for improved customer services

The vision is for a service which will act as the customer advocate. Customers will be able to do more for themselves at a time of their choosing and through a channel of their choice. There will be a decrease in calls that go unanswered or end in an unsatisfactory conclusion. There will be a greater emphasis on joined up public services at front end delivery points and an emphasis on a consistent response. The Council will be delivering a modern customer experience that is comparable to private sector benchmarks.



Commercial in confidence

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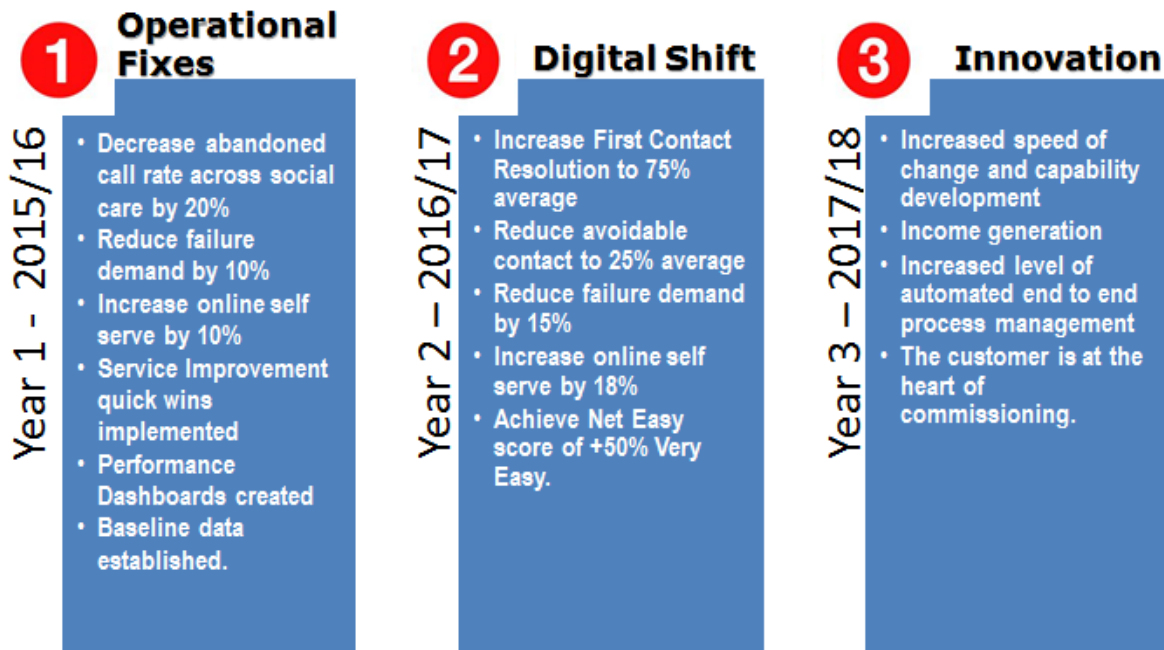
Delivering this vision will be achieved by applying continuous improvement principles. A number of service improvement projects are already underway implementing early improvements for 7 of our top 10 transactions.

Rank	Service Area	Information	Inbound Volume	CEX Impact from service improvement
1	Libraries & Information Services	Renewing/reservations/queries relating to districts	186,872	Reviewing book renewal process to address failure demand and improve user experience of libraries catalogue and promote channel shift
2	Registration	Birth/Death appointments, Copy certificates, Ceremonies	170,620	Registrations included in web chat pilot to manage demand and common use of online forms with the contact centre to improve processes
3	Social Care CHILD	Calls for CAP, for individuals Social Worker, F2F appointments for care packages, Confirmation of referrals	117,374	Review of inbound contact via the contact centre into CAP to enable quick wins and other changes
4	Switchboard	Calls for individuals general enquiries of all kinds	103,348	Design and revision of the IVR touch tone menu system to reduce number of calls handled by advisors. Improving search online to reduce call demand

5	Youth Services	Duke of Edinburgh awards Activities in Youth Centres/Camping	98,143	No change forecast from CEX Service Improvement
6	Highways	Potholes, other highway faults, grass cutting, winter maintenance licence requests	92,352	New online e-forms for permit renewals and improvement of user experience of Love West Sussex to drive channel shift. Next web chat pilot after registrations and blue badge
7	Social Care ADULT	Referral	89,379	No change forecast from CEX Service Improvement
8	Monitoring & Records Team	General public/developers making new applications or searching existing records – (e.g. when transacting a property)	66,360	No change forecast from CEX Service Improvement
9	Learning & Development	Booking/Cancel courses, Issue certificates	59,247*	Schools admissions in year application module to go live on website as channel shift.
10	SCS Blue Badge	Applications/issuing of Badge, Cycle of Blue Badge, Collection of Blue Badge	56,135	New online application and renewal process to promote digital channel shift and streamline business processes. Part of web chat pilot. Possible inclusion in pilot for online booking and scheduling
		<b>TOTALS</b>	<b>1,039,830</b>	* Excludes school admissions

Based on experiences from elsewhere and the expected benefit delivery, we have set the following as key targets for improved service.

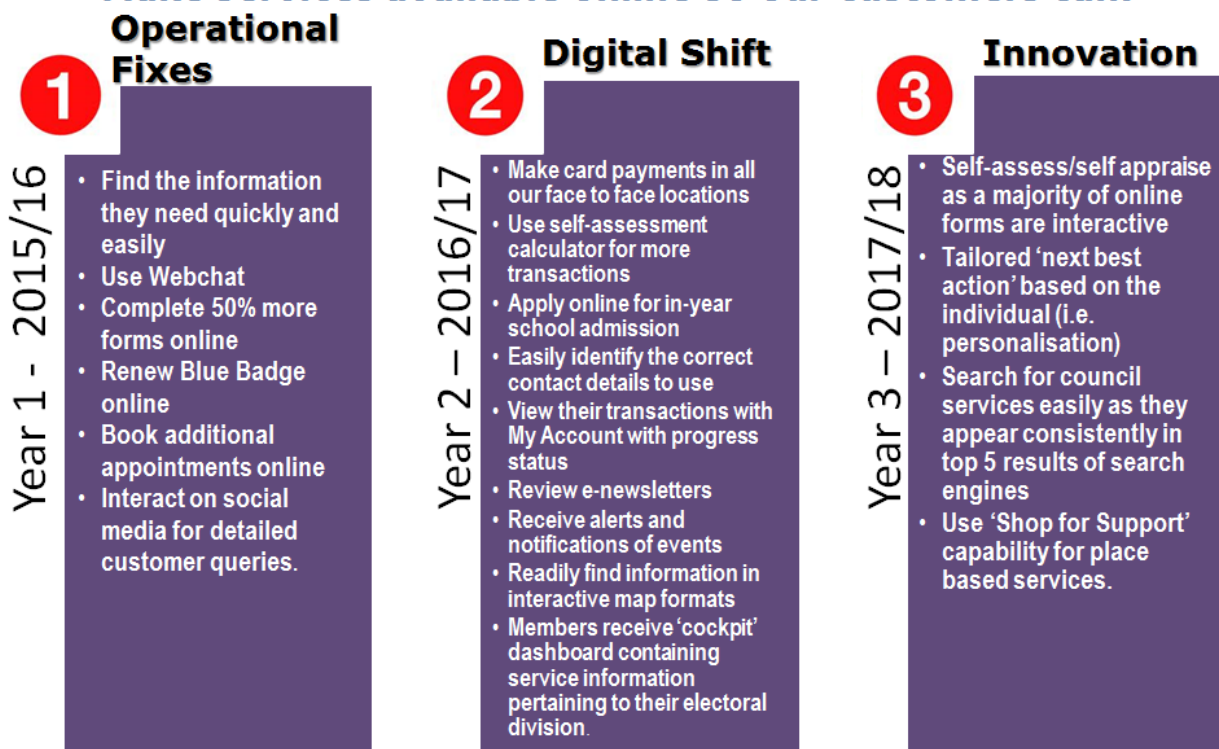
## Steps to Service Improvement



For our customers this means that THEY can expect to see and do the following:

## Improving Outcomes

Make services available online so our customers can:

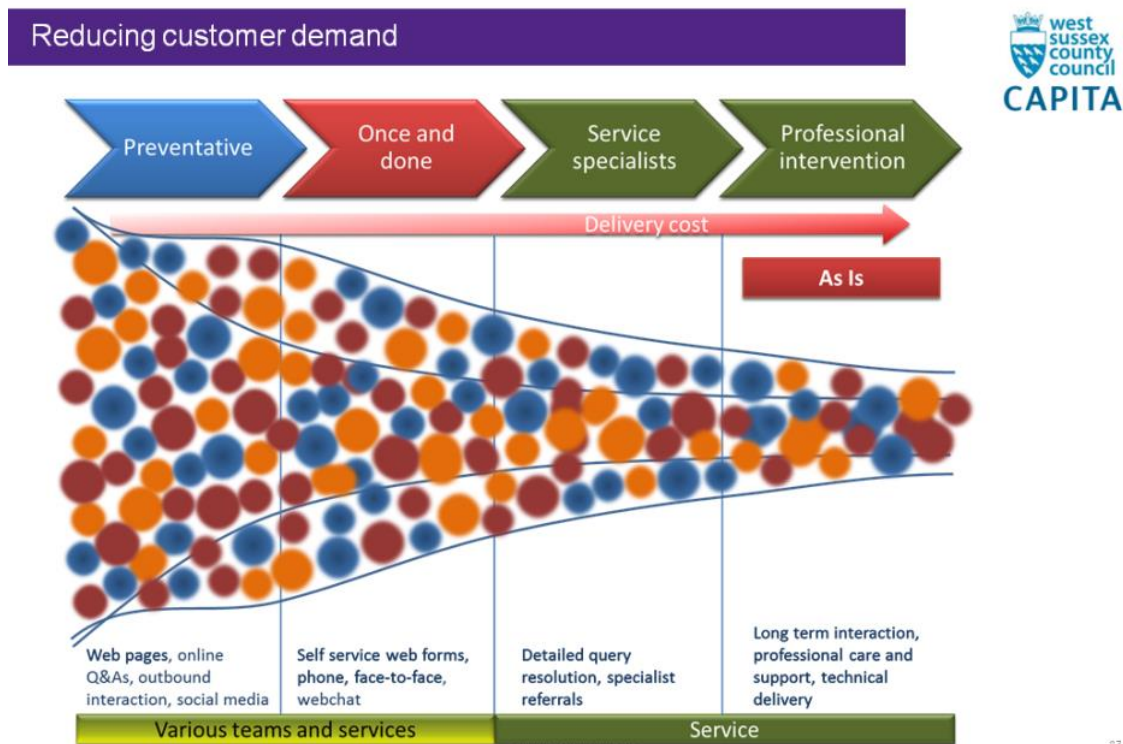


## 2.3 Future Delivery Model

Our vision is to deliver professional customer service that can and does meet more of our customers' needs online or, where that is not possible, at the first point of contact. This will mean that we do more assessment, and have a greater level of expertise at the front line.

The programme will focus on demand prevention and minimisation through improved web content and use of social media. We aim for the Council website to become a channel of choice for customers with assisted service via phone, face to face, web chat and instant messaging by exception. Customer self-service and failure demand reduction will be enabled through web forms, web chat and My Account enabling customers to track the progress of requests, reducing significantly the volume of contact requiring the intervention of service specialists and professionals – enabling a better experience to be provided to those who need this specialist support.

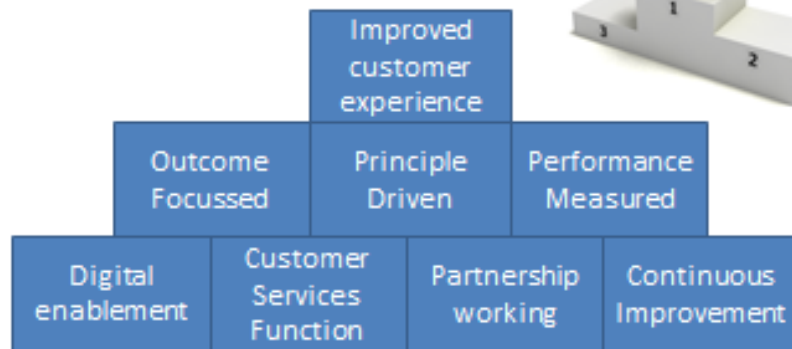
This model is summarised in the diagram below.



As the Podium model below illustrates, there are a number of components to sustaining a consistent customer service across the organisation. One of these is the core customer services function, which is a key foundation.

# The Winner's podium approach to Service Excellence

- **WHY**
- **HOW**
- **WHAT**



A customer services function has a role in ensuring it leads the way demonstrating the commitment, the principles and acting as an enabler for the rest of the organisation. To be successful most frontline contact will need to migrate to this function, to improve the consistency of service to customers and deliver value for money.

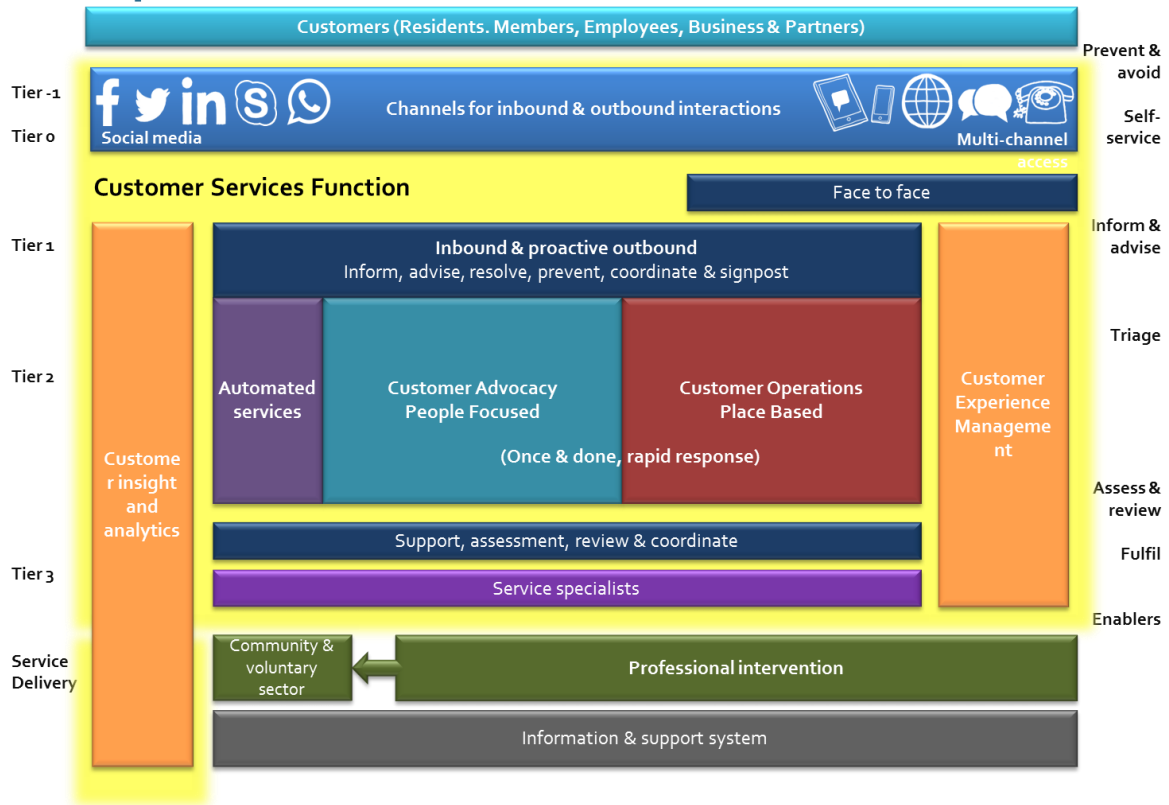
The Customer Services function would be built around the core activities of

- Assessment Services
- Information Services
- Quality, Performance and Training
- Operations management.

This reflects the previous decisions to include the following activities within the remit of the Customer Services Function:

- Contact (digital and face to face)
- Information and advice
- Triage
- Coordination
- Assessment
- Low complexity resolution
- Areas where sharing process and information could improve the customer experience.

# Blueprint for a Customer Services Function (CSF)



This model enables services to focus on professional intervention. Professional intervention includes the long term assessment and support of customers either directly or through commissioned services. The Customer Service Function will manage the relationship with the operational services through a standard commissioner/provider arrangement. Performance will be managed against Service Level Agreements. Risk Management processes will be put in place and regular quality assessments will be carried out.

Expert decision making will be retained by the service area. Over time this may require some professionals to be embedded in the Customer Services Function but this requires re-engineering complex processes and is not envisaged for the short to medium term implementation.

The experience of the Highways Hub demonstrates that centralised customer service also frees up service capacity:

*The CS Hub has enabled us to target our resources at dealing with issues of a more technical nature and to spend more time superintending the highway.*

The recommended option will require a new structure within the Council to absorb the transferred services and to ensure effective deployment of effort on

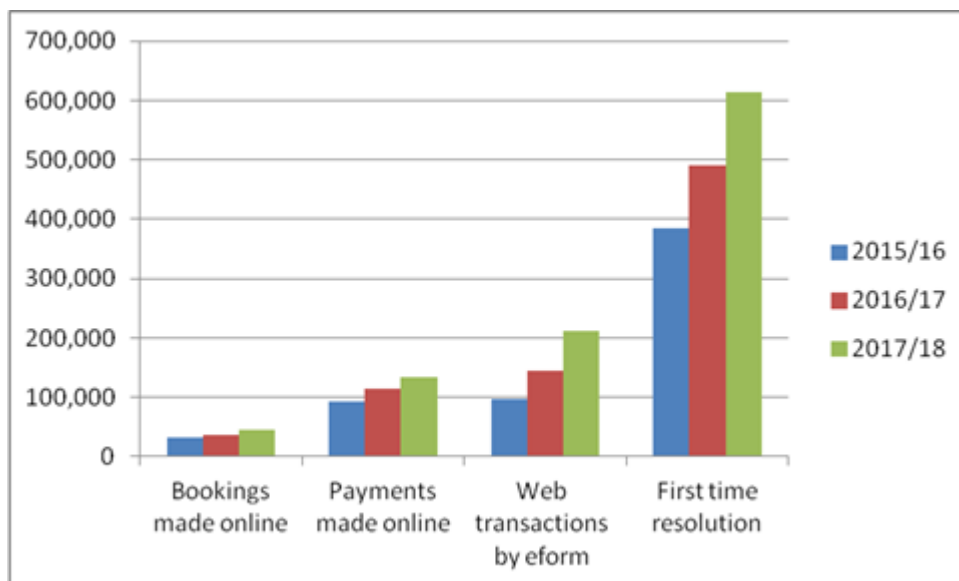
support activities such as insight, operational performance and driving continuous improvement.

The scope proposed will enable us to re-engineer 63% of current customer contact. There will be further customer activities which should be reviewed and transitioned into the Customer Services Function. We propose to plan and tackle these journeys later in 2017/18.

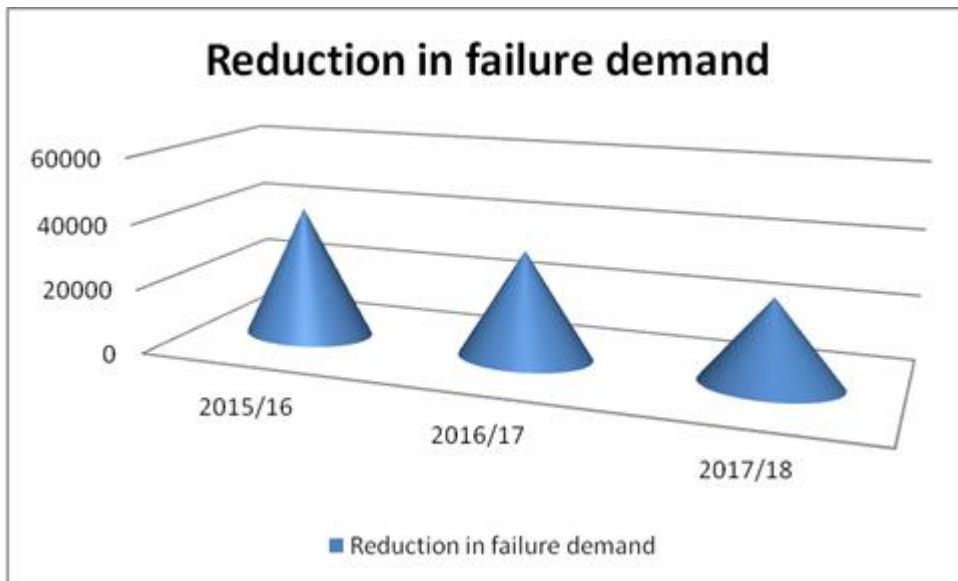
Our proposal is that activities currently undertaken by 467 full time equivalent staff will form the core of the Customer Services Function. Of these, 340 FTE are in Residents Services and 127 in Care and Well-Being.

There has been discussion with services regarding the practicalities and risks associated with some of the moves, as well as the complexity of unpicking a number of areas to enable some activities to transfer whilst other remain. A full risk analysis needs to be carried out before any final transfer decisions are made. In some of these teams it is clear that there are opportunities to unpick complex processes and create some efficiency but that work will now take place as part of service reviews over the remainder of this year.

This proposal will need to deliver a real shift in the way that we do business as illustrated below:







The implementation of the new website has demonstrated the success we can deliver when we respond to our customers' appetite for online services and self-service capability. Since the website was launched the Contact Centre has reported a 10% reduction in call volumes which has already been offset by the Contact Centre deepening its offer for certain services for example additional email handling. We have seen high volumes of website usage with 2,893,350 views and 356,678 users over the past three months and over 45% of access via mobile devices.

## 2.4 Successful experience & benchmarks

The Council has already demonstrated that centralisation and professionalisation of Customer Services can reduce failure demand and increase the number of customer contacts that are resolved at the first point of contact through our implementation of the Highways Hub.

The implementation of the Highways Customer Service Hub, co-located with the Contact Centre, has already demonstrated a very positive impact both for customers and the service.

The Drayton Area Office team said

*We have seen a significant decrease in the volume of enquiries making it onto Highway Stewards stacks since the launch of the CS Hub ... we no longer receive requests purely for information, or duplication of enquiries relating to the same issue. The CS Hub is ensuring customers are updated in Customer Charter timescales, and updates are of sufficient quality to meet the customer need.*

The creation of the Highways Hub has resulted in reduction in avoidable contact from 40% in the third quarter of 2014 to 9% in the first quarter of 2015, exceeding expectation and targets. During the same period 'once and done' contacts have more than doubled from 13% to 34%, again outstripping expectations.

We know that in other customer hubs in the Council, there are opportunities to improve performance. We are working to improve the customer experience within Adults Care Point (CP2) and Children's Access Point (CAP). This work is at an early stage but has already identified compelling evidence for improvement, and minimising risk in the current operation. By having the right people with the right customer service focus, we will deliver an excellent customer experience. Experienced customer service managers can enable a higher call demand to be managed with a smaller team. We will base line the current customer journeys within CP2 and CAP and have improvements in place by autumn 2015.

The June 2014 LGA report 'Transforming Local Public Services – using technology and digital tools and approaches' highlights examples where other councils have used technology and digital tools and approaches in ways that clearly demonstrate an impact both in terms of improved outcomes for citizens and financial savings. There are nearly 50 such examples in this report, where 'digital' or technological innovation has been successfully combined with the intelligent use of customer insight and other complementary approaches such as demand management, process redesign and collaborative procurement.

The following examples are taken from the report:

		
<p>Staffordshire County Council has co-developed Patchwork, an online tool which allows front-line staff to quickly log in and see which other agencies are supporting their clients. There are 64 agencies, supporting almost 2,350 clients, signed up to Patchwork.</p>	<p>In Suffolk County Council, customer insight tools were used to better understand the needs of troubled families, saving more than £450,000 over four years in cost avoidance.</p>	<p>Making joined-up services accessible in one place has been highly successful in the London Borough of Croydon, where the 'family-focused' website, Family Space, enables easier access to information on local children's services.</p>



Bristol City Council provides neighbourhood based staff with tablet devices that enable them to report issues whilst out in the community. As a result it has reduced the hours staff spend in the office and increased reporting of local issues, as well as supporting digital take-up in the community.



Leeds City Council uses web chat to support customers and drive the continual improvement of its website. Web chat is cheaper than a phone call and the council learns from the problems identified. To date over 400 changes to the website have been made as a result in just eight months.



The London Borough of Lewisham's web and mobile application LoveLewisham enables residents to report environmental issues, leading to a 73 per cent reduction in graffiti, and a 33 per cent drop in call-centre activity, saving £500,000 over the past five years.

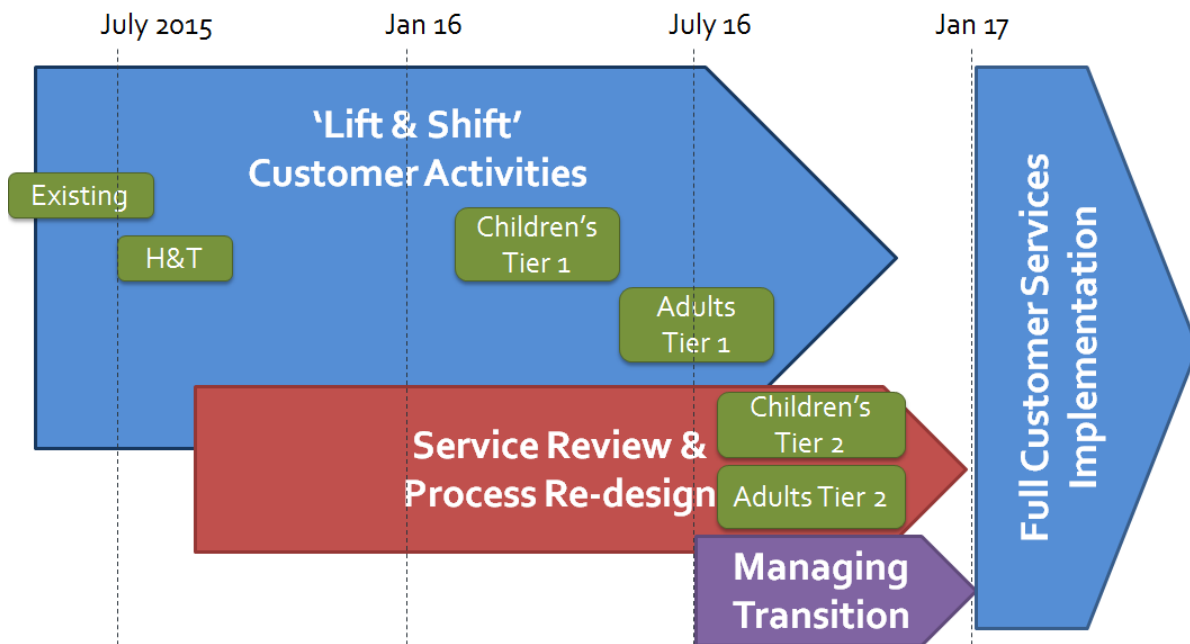
## 2.5 Making this change happen

This proposal outlines a three year timetable to building the Customer Services Function. It anticipates the commencement of further transformation in year four.

In the first year, we propose to carry out work in the phases pictured below.

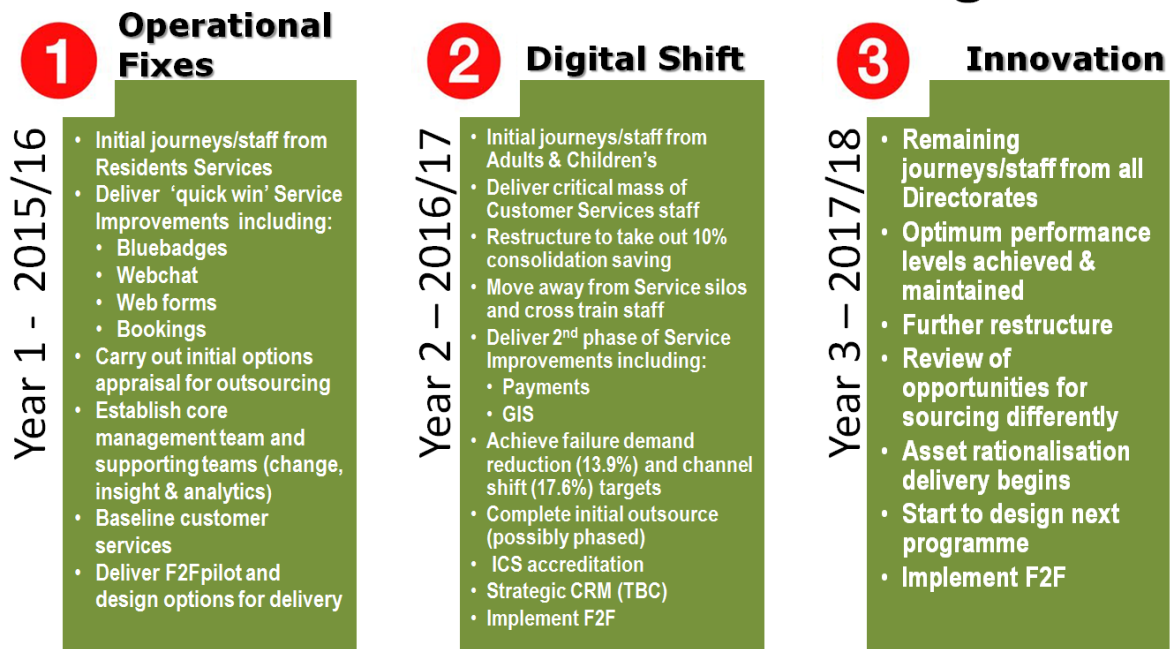
This envisages:

- Establishing in-house Customer Services Function by a simple 'lift and shift' of people undertaking in-scope customer activities in phases throughout 2015/16 and 2016/17. The phasing can be simplified as Place, People and then Potential in terms of the service areas impacted.
- Undertaking detailed review of business processes and customer journeys – building on the work we have already done in the programme – between September 2015 and September 2016.
- This will require a managed transition for each cohort and formal consultation with affected staff scheduled to start July 2016.



The three years needed to develop the Customer Services Function are summarised in the chart below.

## Customer Services Phasing



Underpinning many of these changes are technology solutions to improve the user experience, reduce service demand, provide insight on customer behaviours and service commissioning.

Although achieving 100% digital channel shift for all services is very unlikely, good process design should make digital services so good people prefer to use them (but not at the expense of those who cannot).

This technology will also support assisted digital services for example Face to Face, for customers with limited or no access to the internet. Libraries and Children and Family Centres could be staffed to support customers with using the digital channel. Likewise customer service agents can promote the digital channel during a phone call or web chat. This will enable both Face to Face and telephony interactions to inherently promote long term channel shift as residents realise it is quicker and more convenient for them to self-serve whether looking up information, booking an appointment or checking the status of their case.

### **3. Delivering Efficiency Savings**

The tough economic climate has driven the Council to strive for efficiency. Centralising customer contact is an opportunity to deliver significant efficiencies whilst streamlining and modernising the experience our customers have when contacting us.

The following table presents an estimate of the financial impact of the proposal. It focuses on the service activities which have been identified as being in scope, which reflect activities currently undertaken by 467.1 full time equivalent staff.

The savings have been assumed to arise from three separate elements:

- Management savings from bringing the services together (10%)
- Savings arising from Channel Shift (17.6%) and
- Savings arising from Failure Demand (13.9%)

These assumptions were developed from joint work with Capita specialists to review specific customer journeys in services. This work was based on reviews of journeys representing around 70% of all transactions in the Council by type.

In addition, it is reasonable to assume that there will be enabled savings in services, for instance through fewer hand-offs and management of demand which will result in freeing up the time of specialist staff to focus on this activity. There will also be a corresponding reduction in administration as we move to more self-serve, web enable form completion and less duplicate keying into multiple systems. We have not attempted to quantify these, though in the

course of our implementation it should be possible to identify. As an example of tangible benefit, this may enable the service to offset the expected growth in spend to address the Care Act.

Later in the programme, the review of Face to Face provision enables property rationalisation. We have not yet made any assumptions about this savings delivery.

Depending on the blend of work transitioned to Capita, the Contact Centre would also experience similar effects of demand reduction. The Council will seek to take a share of this benefit through the Capita contract reset negotiations – it is suggested that this will be primarily through agreeing that the contact centre absorbs additional work without additional cost (estimated 3 – 8 FTE depending on the blend of work transitioned to Capita). This is already happening through their take on of additional email and web chat workload.

The timing of the savings shown in the table below are based on a timetable for transferring staff from their existing structures to Customer Services that has been agreed with the relevant services and the assumption that WSCC are in control of the service delivery option.

The proposal will require investment in the key activities shown in the table in order to enable the savings which have been forecast.

Financial Year	2015/2016	2016/2017	2017/2018
	£'000s	£'000s	£'000s
<b>Baseline Cost</b>	10,857	10,857	10,857
<b>In Year Saving</b>	-440	-1,366	-2,500
<b>Core Customer Service Staffing Requirement</b>	144	233	233
<b>Net Annual Cost</b>	10,561	9,724	8,590
<b>Net Annual Saving</b>	-296	-1,133	-2,267
<b>One Off Investment Costs</b>			
<b>Enabling Technology Set up Costs</b>	130		
<b>Increased IT Maintenance Costs</b>		15	15
<b>Design and business analysis support (including work to prepare the proposal)</b>	401		
<b>Programme management &amp; implementation</b>	178	260	
<b>Service Improvement ('Quick Wins')</b>	400		
<b>Face to Face Pilot</b>	60		
<b>Total Cost of Investment</b>	1,169	275	15
<b>Annual Cost/Saving - including investment</b>	<b>873</b>	<b>-858</b>	<b>-2,252</b>

The proposal will require investment in the key activities shown in the table in order to enable the savings which have been forecast. This amounts to a total of £1.5 million in the period shown. This will initially require £1.0 million to be allocated from the Service Transformation Reserve to cover the shortfall in funding in 2015-16, noting that expenditure of £175,000 has previously been incurred in the development of the proposal.

## **4. Options for Service Delivery**

This section presents the high level options for service delivery from April 2016 as we establish the in-house service as described in this proposal.

The key options considered are 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 the current approach, with the most suitable elements of the service provided externally.

At this stage, we have not considered more complex arrangements such as a joint venture or establishing a mutual company or trust. It is our view that 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.

We recommend that the Council pursues Option 3, to continue with the current procurement solution, externalising elements of customer services where the case is clear. This allows us to build on the existing model of the Capita Contact Centre and in house provision. Over time we would be seeking to enhance the contact centre offer to enable a deeper and richer provision and deliver the target of 75% First Contact Resolution across a much wider service base.

Option 3 also recognises that there is concurrent activity taking place on the reset of the partnership contract. It makes both commercial and strategic sense to continue on a known path whilst that wider piece takes place, and leave open a number of future opportunities for further partnership working.

Option 3 reflects current organisational strengths.

The Contact Centre, now run by Capita, has grown from taking calls on three services to taking contacts across multiple channels for 40 services. Over this time customer feedback has continually been sought and used to improve procedures and the information available to the front line staff. All employees are recruited for their Customer Service skills and experience. In addition they receive on-going training, coaching and support.

The guiding principles of the Contact Centre have always been to resolve the query and if not to get the customer through to the specialist as quickly as possible. A continuous improvement culture and good working relationships with the services has helped to make the customer journey a success in the vast majority of cases.

Capita have responded to some recent analysis by the DHP consultancy and have an action plan to address some areas which would further enhance their capacity and capability to deliver more services. As well as improving on an already industry standard call handling rate.

Their call handling performance is significantly greater than similar internal setups as they have the technology, skills base routing, active workflow management and underpinning quality and training approaches to be successful in high volume contact disciplines.

Customers are generally very satisfied with the service they receive from the Contact Centre. An average customer will wait for just 13 seconds and will have their enquiry either resolved or go away knowing it is in hand approximately 70% of the time. Customers surveyed have given the Contact Centre a customer satisfaction rating of 90%+ every month since this metric was measured.

The depth of resolution offered could be enhanced quite substantially through the proposed blueprint.

This option recognises that the Council has experience in managing an outsourced contact centre provision that has developed with a range of providers. The creation of the Customer Services Function will provide a stronger framework for performance management of the contracted relationship with a customer focussed Director clearly accountable for the delivery of key performance indicators (KPIs) as well as driving the improvement and efficiency agenda.

Options 1 – 3 are described in more detail in Annex 1 at the end of this document.

## **5. Enabling Technology required to deliver this proposal**

Three new technology components (circled in the diagram below) are needed in the short term to deliver our proposed improvements in service to customers. These components will be a part of our long term IT architecture and will also give us a toolset that can be used by all parts of our organisation negating the need for each service to buy their own variant.



- **Payments**

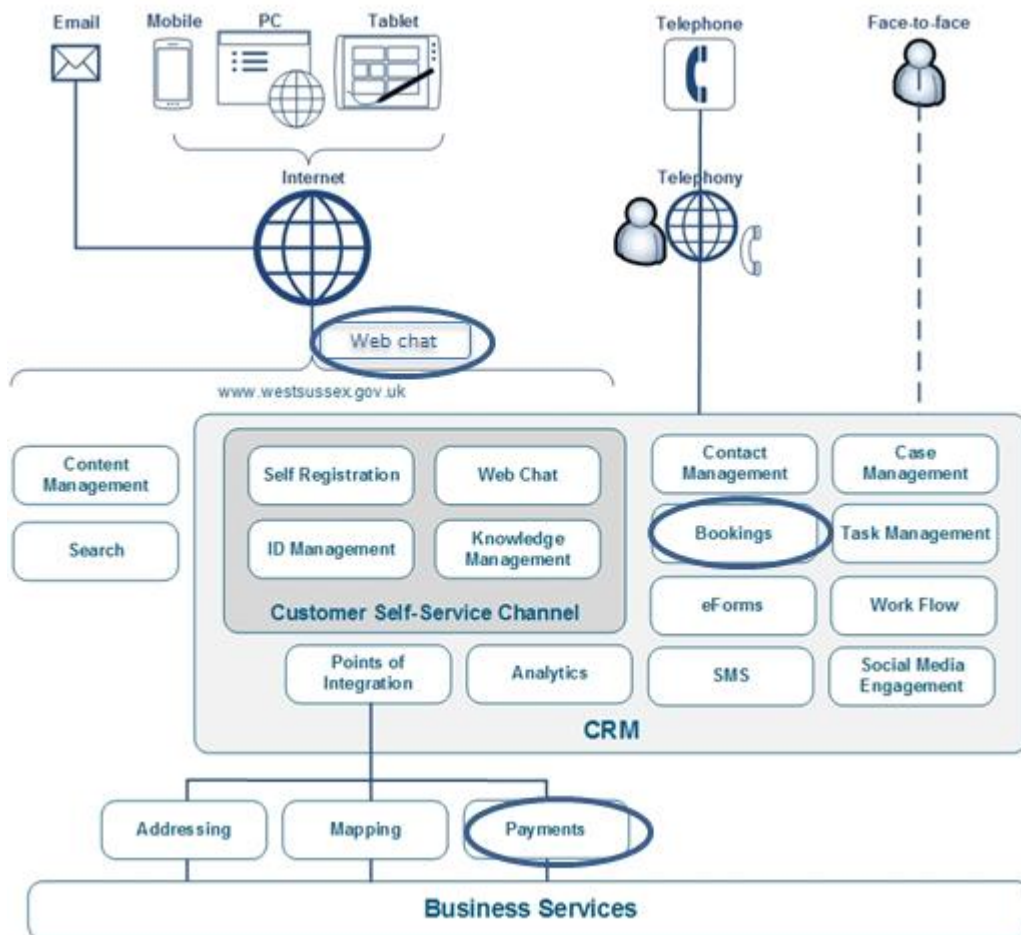
We currently have multiple ways of our residents paying for services and this activity will bring together both online and phone transactions into one system that will be linked to SAP.

- **Booking**

We will procure a cloud based booking solution that will give us options around linking this to staff calendars as well as providing text alerts for appointments. This will initially be tested with two services but has the capability and capacity to be our corporate booking solution for all services.

- **Web Chat**

We are enabling web chat as a pilot within a limited area to test the concept with our customers as well as to learn internally.



## Cost

Product	One-off £000s	Annual £000s	3 year £000s
Payment	75	0	75
Booking	40	14.5	83.5
Web chat	15	0	15

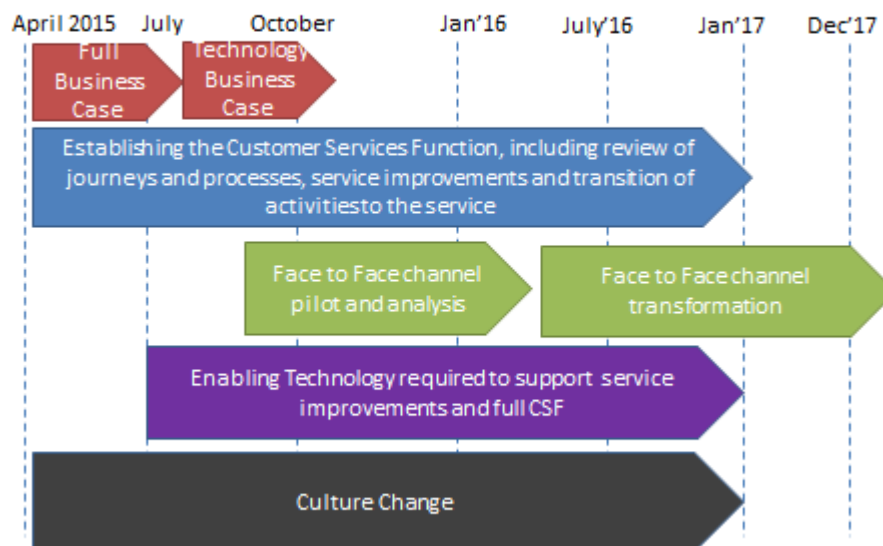
Longer term, the choice of the technology platform that will enable the major elements of the customer services programme is a strategic one for the Council and has implications for our whole organisation. It is therefore proposed to return to Cabinet in November 2015 with a more strategic review of our IT architecture, of which the customer services element will be a key part. The IT architecture is interconnected and interdependent and we believe we can only make our major investment decision by understanding our organisation-wide strategic IT direction.

We have shortlisted a small number of possible providers for the customer services platform consideration. Between July and November 2015, we propose the following actions:

- ✓ Carry out further assessments including reference site visits for the proposed platforms
- ✓ Work with Capita to agree a 'best price' for the platform options
- ✓ Delay any further investments in systems that may be influenced by the strategic platform until after the Cabinet presentation in November
- ✓ Work to bring all likely IT requirements for the next three years to allow Cabinet to see a strategic view across the whole organisation.

## 6. Implementation Plan, Governance, Risk

### 6.1 Outline Plan



The programme plan includes a detailed approach to process review and service engagement in order to transition activity into customer services, improve the journey for customers – and therefore deliver the benefits outlined above.

Additionally, a pilot of how Face to Face (F2F) services could be delivered differently is proposed to provide the basis for future changes. F2F accounts for a significant amount of contact with our customers, therefore it is key we re-shape this channel if we are to achieve significant channel shift. The overall objective is to enhance F2F customer service offering whilst supporting channel shift.

We undertook a review of the F2F channel earlier this year and, following direction from the Customer Excellence Board, we have developed a proposal for a series of pilots to test design options. The detail of the proposal is available in Annex 2 at the end of this document.

With the recently expressed desire to accelerate the delivery of the pilots and conclude the future design work, further planning will now take place to identify opportunities for acceleration.

### 6.2 Governance

The programme will continue to be overseen by the Customer Excellence Board (CEB) which meets monthly. Membership has been reviewed to ensure fuller representation of service areas in scope. Project boards will be introduced to

manage more detailed aspects of the implementation and escalate decisions or issues outside of its control to the CEB. In addition, we expect to provide a quarterly progress update to the Cabinet Board.

The decision on this proposal will be made by the cabinet member for Corporate Affairs. The decision will be previewed at the meeting of the Performance and Finance Select Committee on 3rd September 2015.

We will set separate dates for the decision steps on the technology proposal. This will be reviewed by Cabinet Board later in the autumn and previewed by the Select Committee.

### **6.3 Key Risks, Dependencies and Assumptions**

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

Key risks:

1. That services and staff resist the changes proposed because of the perceived threat to their roles, specialism and existing services delivery arrangements, e.g. in safeguarding adults and children.
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.
3. The quality of existing data on the provision of customer services within the Council is weak. We have acknowledged in planning the need to tackle this in implementation, and we have needed to make some assumptions about existing performance and potential improvement. 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.
4. The case for investing in a strategic CRM solution has been removed from this proposal as the cost and benefits are broader than this programme. However, achieving the deeper levels of integration that would bring additional benefits in later years may be dependent on a more strategic CRM solution and higher levels of investment. There is an additional risk that the delay in the consideration of the proposal for enabling technology may delay progress in delivering customer services and the benefits outlined.

### Key Dependencies:

1. There are many other changes being delivered in the areas in scope. We will need to work with the services concerned to plan and manage these collaboratively. These include:
  - Development of a model for a 'single front door for vulnerable people'
  - Start of Life programme activity in Early Help, Children & Family Centres and other areas; Operational improvement in CAP; Preparation for, and subsequent response to, Ofsted inspection
  - Adults' Services development, including preparation for Care Act with increased requirements and demand for services; integration of Health & Social Care
  - Implementation of change in Highways & Transportation
  - The overall financial position of the Council (which may change).
2. The relationship with Capita in delivery of key activities for implementation and improvements in voice and online channels, and we depend on their capability and capacity to work in an agile way, particularly in delivering the enabling technology required. There is a dependency on the progress and completion of the contract reset work currently in progress.
3. Executive Directors have been asked to nominate customer champions to contribute to the transition and to be part of the governance. In addition, we aim to draw on staff in services to form part of our change team. The release of these resources will require the commitment and support of the Directors.
4. Since the Customer Services Function is a new service, it requires an investment to be made in new roles and a commitment to transfer staff from other services. In addition, the Council will need to invest in a transformation programme team to enable change to happen. The pace of change and the delivery of benefits will be inhibited by a decision not to invest as required.

### Key assumptions:

1. The cost baseline, and therefore the potential savings, has been assessed using our understanding of budgets as they stand. We have endeavoured to take into account any planned reductions in spending to avoid double-counting any savings. We have not yet adjusted for growth in any of the areas in scope.

2. We have assumed the deliverability of savings identified. This is based on our shared work with Capita in reviewing existing customer journeys and processes, and an understanding of what has been achieved in similar councils elsewhere.
3. We have made assumptions on existing digital literacy and access for local people and staff. These are evidence based judgements, and we have also assumed that there will remain a core group who cannot or will not use online options. The proposed model takes this into account.
4. The delivery of the proposed enabling technology and new customer journeys will be planned and delivered in an agile and iterative way, which will allow us to adjust and update plans according to new developments and changing needs.
5. We have assumed that customers will continue to use a range of channels to contact the Council. Although we aim to shift to digital channels which are generally more efficient and effective, we will plan services with multi-channel solutions in mind.
6. Funding to deliver the Service Improvement projects may come from the Transformation Fund as previously agreed however it is included in the financial summary for completeness.
7. Safeguarding is a paramount concern and any decision making will involve undertaking a safeguarding impact assessment.

An impact assessment of the proposed changes has been completed and is available as Appendix B.

## Supporting Detail

### Annex 1

## Customer Services: Options for Service Delivery

### Option 1: Fully outsource customer services to an external provider

There is an option to outsource customer services to our existing provider Capita, or to a new bidder. It is unlikely that a new bidder would find the limited transfer being proposed an attractive market proposition and that a complete re-source of the Contact Centre would be a more viable option. However, in the context of the Capita contract reset and the recent transfer from Serco to Capita, the programme feels that another major sourcing proposal will not only unsettle the existing staff but also does not give the existing arrangement sufficient time and capacity to demonstrate its wider benefits. This of course remains an option for the future.

It should be noted that Capita has engaged in joint work on the business case which has enabled them to prepare an indicative proposal for this option.

Our assumption is therefore that this option would be provided by Capita under existing contract arrangements, and build on the current Customer Contact and Office Services functions to operate the CSF.

This would enable Capita to underwrite certain aspects of the delivery and take a more direct line on implementing the desired change. Using the partnership may allow the rapid deployment of the service and avoid a lengthy and costly procurement exercise. The partnership might also enable access to and support from leading specialist services like business intelligence, analytics, etc.

Benefits of this option:

- Savings identified in the business case can be secured through contract guarantees
- External provider will enable pace of implementation
- A commissioned service, in line with the Council's preferred procurement strategy and existing contractual arrangements
- Customer services can be developed by building on the existing service provided by Capita (e.g. the contact centre), and developed in an existing contract without further procurement
- Draws on benefits of working with a large corporate provider with skills and experience developed in multiple contract locations, including with many local government clients
- Enables a highly effective link with technology provision by the same external provider – recognising the importance of enabling technology to the business case

Risks:

- Provider experience very limited in some key areas, e.g. face to face offer/managing library service provision
- Not all services could be transferred – the recent ruling on non outsourcing of Registration services (Kent) and issues with TUPE of Social

## Supporting Detail

Workers. This means that it could not be a complete outsource as originally envisaged.

- Track record and success of external provider in delivering innovation and change is not strongly regarded currently in the County Council (although is being demonstrated in a number of aspects on the Customer Programme)
- Outcomes of the current contract reset and the long term contract position are not known
- Employee relations: likely to be a negative perception of this option from all staff, including those affected, and the wider organisation; this may lead to less engagement and change in customer services. The recent Unison report is a source of reference material.
- An increased sense of de professionalism and remoteness for some key worker groups at being placed within a 3<sup>rd</sup> party provider.
- Loss of rapid benefits through undertaking in-house first, prior to transformation and integration
- F2F: lack of clarity of model, political risks, necessity for consultation and the timeline for this
- Costs of transition on this scale were initially estimated by Capita as £2.2m but did not include detailed plans nor the impact on the remaining organisational structure so the true cost of change would still need to be established
- The scope of services on which Capita prepared the earlier business case has been changed and the savings would need to be re-adjusted in light of this. A firm commercial offer would need to be proposed.

### **Option 2: Provide the service as an in-house service provision**

This assumes that customer services would be provided in-house using the model currently being developed and implemented – customer activities transferred to the central customer services function, prior to review and transformation of processes managed by the service.

A further step to complete a full, in-house function would be to insource those elements of the service currently provided by Capita, i.e. the provision of the contact centre for telephone contact and the operational management of the online service. It could be argued that the full benefits of an in-house service could only be delivered through full control and integration of all customer channels.

Benefits:

- Costs of transformation would be limited to implementation of a new structure and use of existing resources
- Flexibility and cross-skilling could be achieved through complete control of business and workforce
- Savings would be direct and accountable, and their impact on quality of service well understood and managed – this is not always perceived to be the case with existing contractual service provision by Capita
- Maintains brand leadership and control
- Positive for employee relations



## Supporting Detail

### Risks:

- Conflicts with Council's preferred approach and track record in commissioning support services
- Since some of the service is already outsourced, there may be a disjointed and time-consuming exercise to manage this
- There may be unknown implementation costs, for instance the costs of decommissioning the services currently provided by Capita
- Potentially negative impact on long term contractual relationship with Capita; it may also inhibit commercial negotiation to outsource the service should this be considered in the future
- Some current in house provision is not providing a good customer experience and needs operational support and process re-engineering. The council does not necessarily have all the skills and resources to enable this to happen.
- Diversity and breadth of focus may prove a distraction and not lead to full realisation of benefits and efficiencies.

This option was not considered in further detail and no costs to insource the Contact Centre were established as this would be a reversal of previous decisions and therefore not a viable option.

### **Option 3: Build on the current solution, with the most suitable elements of the service provided externally**

This option proposes that we draw on the strengths of each organisation where they lie. By doing this, we have the opportunity to de-risk elements of the provision through a focus on performance management.

It is likely that this option would be achieved through a channel management approach consistent with the business case and overseen and commissioned by the Director of Customer Services. It is likely in this approach that the contact centre and online customer services will be provided by Capita, while the face-to-face service is provided by the Council.

This offers a mixed model, developed in an evolutionary way, reducing the risk of a single large transition.

### Benefits:

- Organisational infrastructure is already in place in each organisation, and having known strengths
- F2F - control over the service retained and enabling further savings and other benefits from property rationalisation, and in future partnering opportunities, for instance with other local authorities and public bodies
- Maintains future commercial flexibility
- More positive communication for employee relations and wider organisational acceptance
- Enables focused technical innovation to support customer services, building on existing strengths in Capita
- Enables more rapid innovation and change

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- Makes partnering with Districts & Boroughs less complicated as 3<sup>rd</sup> party contract quite focused
- Previous outsourcing of telephony based contact has proven successful
- Employee will be able to benefit from focused support and development based on both their vocation and type of activity that they undertake.
- A shared approach to risk and benefits that allows the two organisations to combine forces and leverage greater pace of change.
- Capita responsiveness to service improvement and capacity release that is already being evidenced since April 2015 in the contact centre.
- A limited transfer of specific activity which enables risks to be managed more effectively

### Risks:

- Track record and success of external provider in delivering innovation and change is not strongly regarded currently in the County Council
- Unknown Capita implementation costs although will be considerably less than full outsource
- Requires a revised WSCC management structure to support
- Lack of flexibility of outsourced resource although revised objectives through the re-set may allow for a different way of working
- Service resistance/ non agreement to transfer into telephony stream if being outsourced (this same risk applies to option 2)
- General staff perception of the Capita partnership and an underlying negativity towards its success.
- Lack of clarity between what is a partner and supplier relationships (the reset will address some of this)

It has been assumed for all options that:

- The enabling Technology costs remain the same.
- The methodology for achieving efficiency would be used in each model
- The same implementation timetable would be applied.

## Supporting Detail

### Annex 2 Face to Face channel pilot proposal

Face to Face (F2F) currently accounts for an estimated 35% of the contact of customers with WSCC. It is therefore key to re-shape this channel if we are to achieve significant channel shift. Our overall objective is to enhance F2F customer service offering whilst supporting channel shift.

We undertook a review of the F2F channel earlier this year and, following direction from the Customer Excellence Board, we have developed a proposal for a series of pilots to test design options.

#### Review Findings

Our themed review identified two primary venues for F2F provision - Libraries and Children and Family Centres. Both have an existing broad customer range although there is a common public perception that Children and Family Centres are solely for young people/families (primary focus is pre-birth to 11 years old and their families) though they are also accessible for the wider community.

Our review examined the F2F channel in three models:

1. **'You come to Us'** – where a F2F setting is provided and available for a customer to visit, for example a Library, Children and Family Centre.
2. **'We come to You'** – where WSCC staff will make a visit to a customer's home or business, for example a social worker, care worker, fire prevention visit.
3. **'We meet in the Middle'** – where the F2F contact occurs in a 'neutral' setting. This might be an outreach worker meeting a customer at a local café or the setting up of a pop-up facility in a public space for example a shopping centre or at an event.

Our review found that:

1. The Library and Children and Family Centre buildings are generally well located and equipped to become "community hubs" and they are already undertaking a range of customer service activities. This is highlighted in the Library Peer Challenge (Jan 2015) which states:

"we urge you to consider the opportunity you have to reposition your service as the "Front Door" to many council services"

2. The Registration Service also provides a number of customer service activities although there is less opportunity for extension of customer services in these buildings due to the sensitive nature of some of their business, such as registering deaths and still births. But they remain an important element of the F2F provision for customer services. (Children

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- and Family Centres have similar sensitive situations to deal with given their work with vulnerable children and families and safeguarding issues).
3. The current F2F estate has a good geographical spread - though it does appear that there may be an overly high concentration of F2F buildings in the coastal area. This has been highlighted in a recent report to the Corporate Leadership Team (CLT).
  4. There is a clear desire and willingness from the management of the Libraries and Children & Family Centres to enhance and evolve existing customer service offerings. This is echoed by frontline staff. However, both services have stated that they believe this can only be achieved with additional resourcing of staff (CFCs have estimated an additional 20FTE FISAs will be needed) and capital spend. Both services have also asserted the need to ensure the "statutory service" / "core offer" is not compromised.
  5. There are a number of service changes currently planned that will impact the F2F provision for example the renewal of the Public Access Workstation (PAWs) network, the recent report to CLT re asset rationalisation. There is a feeling that these planned changes are happening in isolation rather than in a co-ordinated way.
  6. There is an overlap in the services and activities provided in Library and Children and Family Centres although they are delivered in different ways. There is a clear difference in the atmosphere, look and feel in these buildings that reflects their current user population. It was noted that free public Wi-Fi is available in Libraries but not in Children and Family Centres.
  7. A place-by-place approach is likely to be the most effective way of re-designing the F2F provision. This approach will take longer to implement across the whole county but it is likely to provide an integrated partnership solution and realise the greatest level of benefits and savings.
  8. The Library Service and Children and Family Centres have been proactive in taking opportunities to develop partnership arrangements between themselves and with other services and partners. Whilst this is clearly an important step towards an integrated approach, it may be beneficial to have a more strategic approach for partnership arrangements, including the possibility of identified preferred partners.

## Options & Approach

The previous review identified three potential approaches for F2F design in the future:

- A. The Minimum Approach
  - Improve the existing F2F provision. Provide a higher level of consistency throughout all F2F settings with minor enhancements
  - The least expensive and quickest to implement
- B. The Focussed Approach

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- Create 3 or 4 'advanced' F2F settings with multi-disciplinary services and activities. enhances the remaining settings in line with the approach outlined in Option A
- Savings may be achieved through rationalisation of estate in the towns affected
- Implementation on a place by place basis is time intensive but will yield the greatest benefits

### C. The Comprehensive Approach

- Provide the same advanced multi-disciplinary F2F settings as Option B but across the whole County. Provides a comprehensive and fully integrated F2F provision
- Most expensive and time consuming to implement (est. 2-4 years) but will provide a high level of customer experience and could result in significant capital receipts through building rationalisation as a result of service consolidation

In March 2015, the CEB stated its preference for Option C 'Comprehensive'.

Our proposal covers three main approaches:

What	Where	Testing?	Benefit	Benchmark Examples
Partnering with District & Boroughs	Parkside / CHN with Horsham DC	<ol style="list-style-type: none"> <li>1. Assisted Digital Support (ADS)</li> <li>2. Sign-posting</li> <li>3. Lonsto Queuing system</li> <li>4. Shared reception</li> <li>5. Triage / floor-walking</li> <li>6. Video-conferencing *</li> </ol>	<ol style="list-style-type: none"> <li>1. Providing a 'one stop shop' to customers</li> <li>2. Channel shift</li> <li>3. Potential to use 'dual staffing' covering both County &amp; District services</li> </ol>	<b>Kent</b> - CC services in D&B gateways, and D&B services in CC gateways (libraries).
Children & Family Centres as a Hub with Districts	Kingston Buci CFC (Shoreham-by-sea)	<ol style="list-style-type: none"> <li>1. Assisted Digital Support (ADS)</li> <li>2. District services e.g. Housing Benefit</li> </ol>	<ol style="list-style-type: none"> <li>1. 'One Stop Shop' for expectant/new mothers</li> </ol>	

## Supporting Detail

Libraries as a Hub	Worthing (Property element & subject to further workshops)	<ol style="list-style-type: none"> <li>1. Assisted Digital Support (ADS)</li> <li>2. Qmatics queuing system</li> <li>3. Telephones linked to Contact Centre</li> <li>4. 3<sup>rd</sup> Party Workshops (e.g. CAB, Dementia Awareness)</li> <li>5. Pre-bookable SME appointments</li> <li>6. Increased skills for Librarians</li> <li>7. Video-conferencing *</li> </ol>	<ol style="list-style-type: none"> <li>1. Alternative point of access for Customers to council services</li> <li>2. Targeted support to the community according to demographic</li> <li>3. Increased online literacy</li> <li>4. Higher customer enquiry resolution at the first point of contact</li> <li>5. Allows SME's to focus on regular workload &amp; prevent backlogs</li> </ol>	<p><b>Warwickshire</b> – “all” CC &amp; D&amp;B Face to Face services in library</p> <p><b>Northampton</b> – “all” CC &amp; D&amp;B Face to Face services in library</p>
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The pilots will conclude in July 2016<sup>1</sup> and will give us a greater understanding of what WSCC need to do to support the overall objectives of improving F2F customer service and encouraging channel shift. The pilots will give us a much better understanding of which partnerships are effective, which services complement each other, what buildings, technology, processes and resources we need to successfully implement.

Following completion of the pilots, there will be a period to analyse and understand the results & the learning from the pilots, before reporting back to Cabinet. The design of future phases & a plan for implementation will be part of a separate project.

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<sup>1</sup> With the recently expressed desire to accelerate the delivery of the pilots and conclude the future design work, further planning will now take place to identify opportunities for acceleration.