

Central
Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ



01 September 2011

**TO EACH MEMBER OF THE
CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE**

Dear Councillor

**CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE -
Monday 5 September 2011**

Further to the Agenda and papers for the above meeting, previously circulated, please find attached the following additional items:-

**10. Recovery Programme for Customer & Shared Services
Directorate**

A copy of the presentation.

11. Customer Services Strategy

A copy of the presentation.

14. Work Programme 2011 - 2012 & Executive Forward Plan

A revised Appendix A (Work Programme) following additions made at Chairman's Briefing.

Please note that the Shared Services report (Agenda Item 13) marked "to follow" is still awaited. Officers hope to be able to circulate this report by email tomorrow (Friday) and hard copies will be available at the meeting.

Should you have any queries regarding the above please contact me on Tel: 0300 300 4175.

Yours sincerely

Bernard Carter
Corporate Scrutiny & Research Manager
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Customer & Shared Services Recovery Programme

John Unsworth/Deb Clarke
C&SS Overview & Scrutiny Committee

5 September 2011

Central Bedfordshire Council www.centralbedfordshire.gov.uk

Background

- New C&SS Directorate formed - March 2010
- Senior Management Review Implemented - June 2010
- Evidence of variable performance and failing services
- Recovery Programme instigated - July 2010
- External validation on the issues - Sept 2010
- Programme Plan: Scope/Outcomes - Oct 2010
- First Recovery Board - Oct 2010

- Note: The recent restructure into Corporate Services has not changed the scope or nature of the Recovery programme

Programme Objectives

- Getting the basics right (as defined by internal customers)
- Service Quality improvements enabling efficiencies and wider strategic agenda
- Platform for re-modelling of support functions in medium term

Programme Work Streams

- People
- Finance
- Revenue & Benefits
- ICT
- Assets
- Procurement

People Work Stream - Outcomes

- Robust HR management information
- Effective support to enable change agenda
- Consistent interpretation & application of HR process and policies
- Clear processes which are effective and easy to use reducing bureaucracy and cost
- Revised structure and operating model

People Work Stream - Key Activity

Phase 1 (Nov 2010 – June 2011)

- Basics
- Design Principles & Governance
- Metrics
- Training for Managers
- Process improvement & Policy Framework
- Development of Business Case for Change
- HR Support to Savings & Efficiencies

Phase 2 (Aug 2011 – Dec 2011)

- Moving towards a new HR Operating Model
 - Consultation
 - HR Structure
 - Job Evaluation
 - Selection
 - Development Assessment
 - Process Design
 - Transition & Implementation
- Establishment Control
- Payroll

People Work Stream - Progress to date

- Key HR processes improvement completed
- Change Management training delivered to managers and Customer Focus Training delivered to Senior Managers
- New Directorate HR dashboards detailing key Management Information produced
- Revised HR structure and operating model agreed
- On going support of CBC Efficiencies Programme
- Considerable activity supporting activity on review of Terms & Conditions

People Work Stream - Issues to resolve

- **Delivering the HR Operating Model**
 - consult with HR team on structural changes (August 2011)
 - finalise HR structure (August 2011)
 - evaluate jobs within the new HR structure (August 2011)
 - conduct skills assessment, identify gaps and develop training plans (December 2011)
 - training rollout (April 2012)
 - processes design supporting the new operating model (April 2012)
 - transition to the new operating model (Dec 2011)
- **Establishment Control - budget set (April 2012)**
- **Payroll - bring payroll back in house (September 2012)**

Finance Work Stream - Outcomes

- Robust financial management information & reporting
- Effective and consistent support to directorates
- Competent and supported budget managers
- Effective and efficient core processes:
 - Financial planning and budget setting
 - Year-end closure
- Revised structure and operating model

Finance Work Stream - Key Activity

- Agree strategic role of Finance
 - design principles & target operating model (Complete)
 - new organisation structure and resourcing (Sep 2011 - Nov 2011)
- Improve Council-wide financial capability (March 2012)
- Improve financial management Information content (first phase complete, ongoing)
- Upgrade financial reporting, budgeting & planning processes (Dec 2011)
- Successful year end close (Sep 2011)
- Support delivery of £19.2m savings (via ELG), within achieving a balanced budget (March 2012)

Finance Work Stream - Progress to date

- Successful year end close position
- 2011-12 Budget and Capital Programme approved
- Appointment of new Section 151 Officer
- Considerable progress in resolving Bedford Borough indebtedness
- Improving effectiveness of SAP Finance and SRM via data integrity
- Further improving financial management information
- Revised Finance structure and operating model agreed
- Senior Finance Group (cross finance forum of 15 – 20 Senior Finance Staff) established

Finance Work Stream - Issues to resolve

- Implementation of new structure and operating model (Sep 2011 - Nov 2011)
- Training needs analysis/training for finance staff & cost centre managers (March 2012)
- SAP optimisation (March 2012)
- Upgrade / improve financial reporting process (Dec 2011)
- Resolve Bedford BC indebtedness (Oct 2011)
- Audited financial statements (Sept 2011)
- Continued focus on tracking & reconciling savings and monitoring risks & upsides (Ongoing)

Revenue & Benefits Work Stream - Outcomes

- Benefits Service improves significantly from a low level towards satisfactory targets:
 - Average claims under NI 181 < 25 days
- More effective Revenue Services collection:
 - Council tax collection > 98%
 - Council tax arrears to be reduced by 10%
 - NNDR collection rate improved to 98.5%
- Sustainable business model

Revenue & Benefits Work Stream - Key Activity

- **Benefits performance improvement**
 - improve performance deliverables against NI181 (March 2012)
 - maximise benefit subsidy (March 2012)
 - reducing benefit overpayment & improving overpayment recovery (Oct 2011)
 - clear backlogs of new claims (Oct 2011)

- **Revenues collection performance improvement**
 - reduce backlog of Council Tax billing amendments (Oct 2011)
 - improve direct debit take up (Dec 2011)
 - improve Council Tax in year collection rate (March 2012)
 - improve National Non Domestic Rate in year collection rate (March 2012)
 - reduce the level of previous years Council Tax and NNDR arrears (March 2012)

Revenue & Benefits Work Stream - Progress to date

- Engagement with Audit Commission on prioritised Recovery activity & with DWP in relation to agreed improvement actions
- External review of 2010/11 subsidy claim. Changes to working practices will support the achievement of improved LA error rates in 11-12, saving c£300k.
- NI 181 - reduced from 45 days to 25 days at financial year end
- Clearing of backlog commenced by Liberata
- Review of Single Persons Discount – circa £405k
- Customer Journey Mapping – identify the resident experience on benefit claims cycle
- Scoping direct debit take up campaign
- Take up campaign to encourage BACs housing benefit payments
- Test & configuration of Civica Appeals and Quality Checking Modules

Revenue & Benefits Work Stream - Issues to resolve

- Continued reduction of backlog for new benefit claims (Oct 2011)
- Continued activity driving performance improvement (Oct 2011 - March 2012):
 - NI181
 - council tax collection, reduction of arrears & backlog
 - reduction in benefits overpayments
- Recruitment activity to fill vacant posts & reduce contractor resource costs (Nov 2011)

ICT Work Stream - Outcomes

- A stable, reliable network & applications
- Good system performance everywhere at all times
- Robust and measured set of core ICT indicators
- Easy to access information & applications
- A responsive ICT that delivers on projects and resolves problems
- ICT projects delivered to agreed time line with appropriate governance based on agreed priorities
- Clear understanding of ICT plans, timescales and outcomes

ICT Work Stream - Key Activity

- **Stabilisation (Dec 2011)**
 - Monitoring of key systems with automatic alerting and proactive ICT response (Dec 2011)
 - Continued trend of reducing number of reported incidents to service desk (Dec 2011)
 - Robust and measured set of core ICT indicators (Sept 2011 - Dec 2011)
- **Major Projects (Dec 2011)**
 - ICT governance arrangements delivering projects to agreed schedule (Dec 2011)
 - Business Relationship Managers attending monthly directorate meetings and providing appropriate updates.
 - SOC/ITIM customer satisfaction survey showing improving satisfaction levels (Sep 2011 - Dec 2011)
- **Governance (Dec 2011)**
 - Updated ICT schedule presented to CMT every 6 weeks (Dec 2011)
 - ICT strategy presented to Executive (Oct 2011)

(Based on revised scope agreed in July 2011)

ICT Work Stream - Progress to date

- Proposed ICT strategy & priorities externally validated
- Senior management agreement to stabilisation and application priorities
- Migration of help desk to Contact Centre improving responsiveness & resolution of problems
- Recruitment of Business Relationship Managers and Stability Programme Director
- CBC network project formally closed:
 - Majority of buildings now served by CBC network links removing the dependency on BBC (73 CBC buildings / 139 schools)
 - Majority of applications now migrated onto Citrix (60)
 - Secure remote access implemented protecting our network from security breaches (2FA token roll out & encrypted lap tops)
- All projects now have scheduled dates agreed by Senior Management (July 2011)
- Revised ICT governance approach approved by Senior Management (July 2011)

ICT Work Stream - Issues to resolve

- Completion of phase 2 stability tasks by September 2012
- Planning of phase 3 stability tasks as part of 2012 - 2013 service planning

Assets Work Stream - Outcomes

- Full understanding & optimisation of £1.6bn property portfolio
- Corporate Asset Management Plan
- Medium Term Accommodation Plan
- Effective delivery of capital development programme
- Enable the delivery of key asset related corporate strategies
- Revised structure and operating model

Assets Work Stream - Key Activity

- **Clear information on our Assets**
 - validation & update of Asset data to a single system (Complete)
 - programme of condition surveys (Complete)
- **Medium Term Accommodation Plan**
 - agree Accommodation strategy - corporate office rationalisation (October 2011)
 - identify service/property requirements with Directorates (October 2011)
 - accommodation plan implementation (Oct 2011)
- **Corporate Asset Management Plan**
 - understand Directorate requirements for property & accommodation (October 2011)
 - sign off Corporate Asset Management Plan & action (Jan 2012)
- **Operating Model**
 - implement Directorate Service Level Agreements (Complete)
 - centralise Property Budgets (Sept 2011)
 - develop & implement new Assets structure (Nov 2011)
- **Clear processes for Capital Development and Disposals**
 - formulation of disposals programme (Complete)
 - develop Corporate Capital Building Programme Business Case (being considered by CAMG)
- **Facilities Management**
 - initial review & implement of structure change (Complete)
 - centralise the FM Helpdesk & develop Assets ICT Portal (Complete)
 - re-procurement of current contracts (Dec 2011)

Assets Work Stream - Progress to date

- Property development function brought back in-house from Mouchel
- Consolidation of CBC Asset data to a single system & completion of first tranche condition surveys
- Good progress on the Centralisation of Property Budgets and Property SLA
- Medium Term Accommodation Strategy commenced, being re-scoped currently
- Disposals programme agreed
- Facilities Management initial review & restructure completed (including centralisation of help desk)
- Schools Services comprising catering, grounds maintenance and cleaning now terminated
- Print and Design rationalised and market tested
- Schools buy back service implemented
- **Statutory maintenance obligations will be met this year**

Assets Work Stream - Issues to resolve

- Identify service/property requirements with Directorates (September 2011)
- Start the implementation of Medium Term Accommodation Plan (Oct 2011)
- Sign off and implement the Corporate Asset Management Plan (Jan 2012)
- Completion centralisation of property budgets (Sep 2011)
- Develop & implement new Assets structure (Nov 2011)
- Continue with the programme of disposals (March 2012)
- Complete the re-procurement of FM current contracts (Dec 2011)

Procurement Work Stream - Outcomes

- Effective and compliant procurement processes
- Maximisation of corporate contracts
- Improved organisational procurement capability
- Delivery of £1M cross-cutting procurement savings 2011/12; well underway
- Reduced supplier debt (prompt payment of invoices & less retrospective invoices)
- Significant efficiencies identified and delivered in 12-13
- Revised structure and operating model

Procurement Work Stream - Key Activity

- **Streamlined Requisitioning**
 - review, reduction of and training requisitioners (Complete)
 - implement No PO NO Pay policy (Complete)
 - SAP systems improvements (December 2011)
- **Accounts Payable Processes**
 - develop business case for e-invoicing (Complete)
 - develop business case for duplicate payment detections software (Sept 2011)
 - implement Optical Character Recognition to enable electronic retrieval of invoices (Dec 2011)
- **£1m cross-cutting Efficiency Savings in 11-12**
 - review Business Cases for Corporate Contract savings (substantially complete Sep 2011)
 - implement supplier inflation / cost reductions, c £400k savings (September 2011)
 - review all contracts with >£1m spend (Sept 2011 – Mar 2012)

Procurement Work Stream - Progress to date

- Implementation of Streamlined Requisitioning to improve compliance with procurement procedures & corporate contracts; no PO No Pay policy implemented
- Various medium level ICT improvements in progress
- Efficiency plan agreed to drive £1M savings 2011/12:
 - review of corporate contracts
 - letters sent to suppliers re withholding inflationary payments & requesting 15% cost reductions; expect c £500k savings
 - high value contract reviews

Procurement Work Stream - Issues to resolve

- Continued activity driving the £1m cross-cutting Efficiency Savings (Aug 2011 - Mar 2012)
- Support the delivery of significant procurement and contract management savings across the Council in 12-13

Summary / Conclusion

- Creation of CBC led to considerable change and challenges in C&SS
- Robust Recovery programme and governance implemented
- Focus on improving service quality & getting the basics right
- Provides the platform to further transform support functions in the medium term
- Enables Service Directorates to focus on improving / developing services and drive out further efficiencies

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'Central Direct' Channel Shift Strategy



What is Channel Shift?

Channel Shift is a planned and targeted way of encouraging customers to interact with us using the cheapest and most appropriate channels

The Channel Shift Strategy will:

- use customer insight techniques to help us understand which services are likely to successfully shift to cheaper channel; and
- realise the financial benefits of interacting with our customers through cheaper channels.

Customer Insight: Segments of our communities prefer to interact with us in different ways

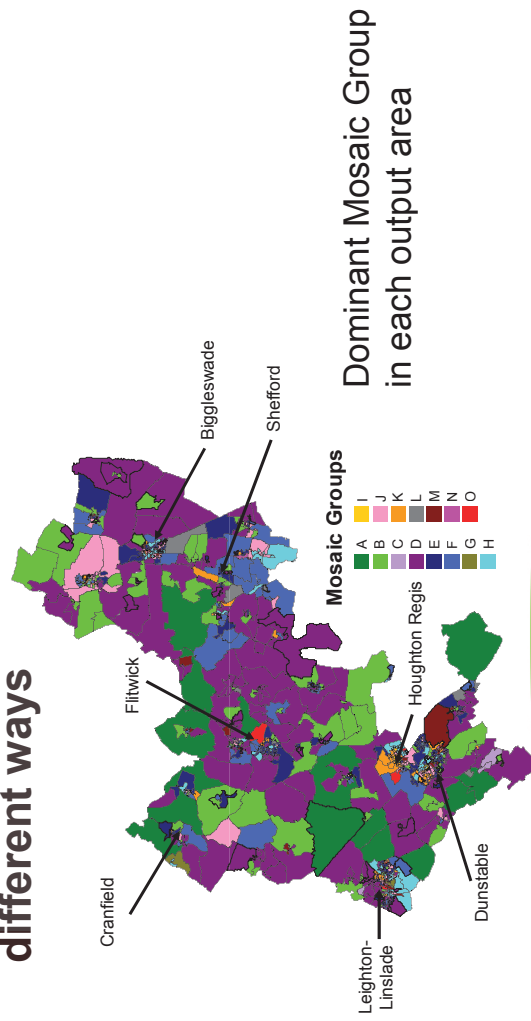
| Mosaic group | CEC households | | Service channel | | | | | | |
|--------------|----------------|-----|-----------------|----------------|--------------|----------|------|----------------|----------|
| | No. | % | Face to face | Landline phone | Mobile phone | SMS Text | Post | Interactive TV | Internet |
| A | 2,223 | 2% | Y | Y | Y | | Y | Y | Y |
| B | 14,700 | 14% | Y | Y | | | Y | | Y |
| C | 2,355 | 2% | N | Y | | | Y | | Y |
| D | 17,688 | 17% | N | Y | | | Y | | Y |
| E | 10,904 | 10% | N | Y | Y | | Y | | Y |
| F | 14,034 | 13% | N | Y | Y | | Y | | Y |
| G | 885 | 1% | N | Y | Y | | Y | | Y |
| H | 11,021 | 10% | N | | Y | | Y | | |
| I | 1,482 | 1% | N | | | | | | |
| J | 9,947 | 9% | Y | | | | N | | |
| K | 6,744 | 6% | Y | | | | N | | |
| L | 2,916 | 3% | Y | N | | | N | | N |
| M | 4,251 | 4% | Y | N | | | N | | N |
| N | 1,112 | 1% | N | N | | | N | | N |
| O | 1,343 | 1% | Y | N | | | N | | N |

- A** Residents of isolated rural communities
- B** Residents of small and mid-sized towns with strong local roots
- C** Wealthy people living in the most sought after neighbourhoods
- D** Successful professionals living in suburban or semi-urban homes
- E** Middle income families living in moderate suburban semi
- F** Couples with young children in comfortable modern housing
- G** Young, well-educated city dwellers
- H** Couples and young singles in small modern starter homes
- I** Lower income workers in urban terraces in often diverse areas
- J** Owner occupiers in older style housing in ex-industrial areas
- K** Residents with sufficient incomes in right-to-buy social houses
- L** Active elderly people living in pleasant retirement locations
- M** Elderly people reliant on state support
- N** Young people renting flats in high density social housing
- O** Families in low-rise social housing with high levels of benefit need

Customer Insight: Segments of our communities prefer to interact with us in different ways

| | |
|---|---|
| A | Prefer face to face, but often reliant on internet for practical reasons |
| B | Prefer face to face – likely to live near most local services |
| C | Use internet most days – prefer this to visiting ‘drop in’ centres |
| D | Use internet to access services. Use on most days. |
| E | Easy to reach via door to door or local press. High levels of internet access. |
| F | Highest levels of computer literacy – likely to use internet most days. |
| G | Confident internet users – will use for information and transactions. |
| H | Text and internet preferred. Many not comfortable explaining their needs over phone |
| I | More comfortable face to face – high computer literacy but not comfortable using to access services |
| J | Friends / neighbours important info sources. Most have computer access but used only for entertainment, not access to services. |
| K | More comfortable face to face. Internet not seen as appropriate for public services. |
| L | Prefer face to face. Internet access patchy - few people comfortable with online transactions. |
| M | Few have computer access. Most contact face to face. Particularly dislike automated phone systems. |
| N | Post often goes astray. Relatively low internet use, other than for entertainment. |

Customer Insight: Segments of our communities prefer to interact with us in different ways



High Volume Services – Telephony & F2F Transactions

| Top 20 Telephony Volumes | | Face to Face Contact | |
|--|--------------|--------------------------|--------------|
| Service | 12 month est | Service | 12 month est |
| Older People & Physical Disabilities | 39544 | Council Tax | 13032 |
| Housing Management | 32896 | Housing | 8247 |
| Development Management | 29392 | Bus Passes | 2622 |
| Asset Management | 29228 | Waste | 1527 |
| Learning and Strategic Commissioning | 29172 | Licensing | 1386 |
| Learning Disabilities and Mental Health | 24336 | Other Enquiry | 1377 |
| Safeguarding Children | 22004 | Environmental Health | 1335 |
| HR | 21824 | Planning | 1182 |
| Housing Needs | 20732 | Blue Badges | 540 |
| Revenues and Benefits | 20136 | CAB/CA/Tourism | 456 |
| Property Assets | 19748 | Electoral Registration | 339 |
| Building Control | 17912 | Homesickness | 336 |
| Passenger Transport | 15292 | Building Control | 318 |
| ICT | 14652 | School Related Enquiries | 249 |
| Democratic Services | 13848 | Parking | 159 |
| Business Systems | 12632 | Surgeries and Meetings | 153 |
| Development Planning and Strategic Housing | 11972 | Registration | 132 |
| Financial Management | 11256 | Public Protection | 111 |
| Public Protection | 10728 | County Enquiry | 108 |
| Community Regeneration and Adult Skills | 9752 | Town Council Enquiry | 99 |
| | | Film Club - Over 55 | 72 |
| | | Parks and Others | 18 |

| Estimated Cost to Serve | |
|-------------------------|-------|
| Face to Face | £7.80 |
| Telephone | £4.00 |
| Internet | £0.17 |

Shifting to Cheaper Channels: An Example

Service A

| | | |
|-----------------------------|----------------|------------------|
| Telephony Volumes | 20,000 | per annum |
| Face to Face Volumes | 2,000 | per annum |
| Approx Cost to Serve | £95,600 | per annum |

Shifting to Cheaper Channels: An Example

Customer Insight tells us that:

- 74.8% of service users have a preference for the internet as a channel
- 22.9% of service users are neutral to this form of service channel
- Only 2.3% of dislike the internet as a service channel.

So why don't these customers use the internet to access our services?

- Not available online?
- Poor web functionality?
- Don't know that the service exists?

Shifting to Cheaper Channels: An Example

Moving 70% of telephony and 30% of face to face contact to the web (achievable target based on Customer Insight analysis) through improved web functionality, streamlined processes and strong marketing would save the Council **£80.8k per annum**. Saved through an approximate FTE reduction of 2.7 (spread across front and back office).

The result of this is a service that is cheaper to run delivered in a way that the customer wants.

Best Practice

- Tameside Council reduced the cost of processing free school meal applications from a high of £51 to 6p. The overall cost of processing applications reduced from £139,000 to £500
- Exeter City Council improved their online processes used to request parking permits – saving 0.5 FTE in the front office and 0.5 FTE in the back office
- Wyre Borough Council reduced calls relating to missed, damaged and lost bins by 30% - eliminating 1 FTE from the contact centre
- Oxford City increased online recycling contacts to 60% following a campaign.
- 93% of City of York student council tax discounts are now administered online

For Discussion....

- What are the current strengths of the way in which we transact with our customers?
- What are the weaknesses?
- Which service areas have scope to allow customers to self serve on line?
- Are there any quick wins?
- What would be more complicated?
- Which areas should be out of scope for the Channel Shift Strategy?

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Work Programme for Customer & Central Services Overview & Scrutiny Committee 2011 – 2012

| Ref | Indicative OSC Meeting Date | Report Title | Issue to be considered | Comment |
|-----|-----------------------------|--|---|---------|
| 1. | 5 September 2011 | <p>Executive Member Update</p> <p>Recovery Programme for Customer & Shared Services Directorate</p> <p>Customer Services Strategy</p> <p>Quarter 1 Budget Monitoring</p> | <p>To receive a brief verbal update from the Executive Member for Corporate Resources.</p> <p>To receive a presentation regarding the recovery programme of the Customer & Shared Services Directorate and its progress to date.</p> <p>To receive a presentation regarding the Council's draft Customer Services Strategy.</p> <p>To consider corporate budget and treasury management monitoring information for the first quarter of 2011/12, together with specific information for the Office of the Chief Executive and the Customer & Shared Services Directorate.</p> | |

| Ref | Indicative OSC Meeting Date | Report Title | Issue to be considered | Comment |
|-----|-----------------------------|---|---|---------|
| | | Shared Services | To receive and consider a report outlining management progress in complying with Internal Audit's recommendations regarding the Council's Shared Services with Bedford Borough Council. | |
| 2. | 17 October 2011 | <p>Executive Member Update</p> <p>Quarter 1 Performance Monitoring</p> <p>Base Budget Review</p> <p>Asset Disposal Programme 2012/13</p> <p>IT Stabilisation Programme</p> <p>ICS (Integrated Children's Services) System</p> | <p>To receive a brief verbal update from the relevant Executive Member.</p> <p>To consider performance monitoring information for the first quarter of 20011/12</p> <p>To consider the Corporate Services base budget review for 2012/13</p> <p>To receive details of the Council's top 10 assets for disposal in 2012/13 together with background information relating to the Council's asset disposal protocol.</p> <p>To consider a report regarding the IT Stabilisation Programme.</p> <p>To consider a report regarding next steps following the ICS tender process</p> | |

| Ref | Indicative OSC Meeting Date | Report Title | Issue to be considered | Comment |
|-----|-----------------------------|---|--|---------|
| 3. | 28 November 2011 | Executive Member Update IT Strategy | To receive a brief verbal update from the relevant Executive Member. To consider a draft IT Strategy for Central Bedfordshire Council | |
| 4. | 19 December 2011 | Executive Member Update Corporate Asset Management Plan Quarter 2 Budget Monitoring Quarter 2 Performance Monitoring Draft Budget 2012/13 | To receive a brief verbal update from the relevant Executive Member. To consider the Council's Corporate Asset Management Plan To consider corporate budget and treasury management monitoring information for the second quarter of 2011/12, together with specific information for Corporate Services (Resources and People & Organisation). To consider performance monitoring information for the second quarter of 2011/12 To consider the Council's (and Corporate Services) draft Budget for 2012/13. | |
| 5. | 16 January 2012 | Executive Member Update | To receive a brief verbal update from the relevant Executive Member. | |

| Ref | Indicative OSC Meeting Date | Report Title | Issue to be considered | Comment |
|-----|-----------------------------|--|---|---------|
| 6. | 27 February 2012 | Executive Member Update Procurement Medium Term Accommodation Strategy | To receive a brief verbal update from the relevant Executive Member. To receive a presentation regarding the broad direction for procurement at Central Bedfordshire Council To receive a report on progress with the Medium Term Accommodation Strategy | |
| 7. | 16 April 2012 | Executive Member Update Quarter 3 Budget Monitoring Quarter 3 Performance Monitoring | To receive a brief verbal update from the relevant Executive Member. To consider corporate budget and treasury management monitoring information for the third quarter of 2011/12, together with specific information for Corporate Services (Resources and People & Organisation). To consider performance monitoring information for the third quarter of 2011/12 | |
| 8. | 21 May 2012 | Executive Member Update | To receive a brief verbal update from the relevant Executive Member. | |