
Meeting: Executive
Date: 15 November 2011
Subject: Channel Shift Strategy
Report of: Cllr Maurice Jones, Executive Member for Corporate Resources
Summary: This report requests capital funding for the Design Phase of the Channel Shift Strategy.

Advising Officer: Deb Clarke, Assistant Chief Executive – People and Organisation
Contact Officer: Jonathan Drea, Customer and Community Insight Manager
Public/Exempt: Public and Exempt
Wards Affected: All
Function of: Executive
Key Decision Yes
Reason for urgency/ exemption from call-in (if appropriate) N/A

CORPORATE IMPLICATIONS

Council Priorities:

Due to budgetary pressures the Council is required to achieve more with less resource. By delivering transactional services simply and effectively through the cheapest channels available to us, the Council will be able to concentrate its finite resource on providing the services that people most need to ensure that we deliver our five key priorities.

Financial:

1. It is intended that the Channel Shift design phase will become a new scheme on the 2011/12 Capital Programme. This will be funded using existing capital allocated to CRM (Customer Relationship Management) but which is not now needed for that purpose. This results in no increase in the overall budget for the Capital Programme for 2011/12.

Legal:

2. There are no legal implications related to the progression of the project from business case development to detailed design phase.

Risk Management:

3. Risks associated with the project will be managed using guidance in the CBC risk management strategy.

Staffing (including Trades Unions):

4. There are no immediate staffing issues relating to the channel shift project moving from the business case development to detailed design phase of the project.

Equalities/Human Rights:

5. A full equality impact assessment has been completed to ensure that the project supports the Council's legal duty to eliminate unlawful discrimination harassment and victimisation and other conduct prohibited by the Act, advance equality of opportunity between people who share a protected characteristic and people who do not share it and foster good relations between people who share a protected characteristic and people who do not share it.
6. Whilst there are no direct equalities/human right issues relating to the movement of the project from the business case development to detailed design phase, we will continue to develop and monitor the equality impact assessment to ensure that the project continues to support our legal duties.

Community Safety:

7. Not Applicable.

Sustainability:

8. Not Applicable.

Procurement:

9. The detailed design phase of the project will require external expertise to be bought in. The costs of this are laid out in the business case.

Overview and Scrutiny:

10. The Customer and Central Services Overview and Scrutiny Committee considered the Channel Shift Strategy at their meeting in September and again on 17 October 2011. At the meeting in October the Overview and Scrutiny Committee noted and endorsed the general direction of travel of the project.

RECOMMENDATIONS:**The Executive is asked to:**

1. **approve to the Channel Shift design phase as a new scheme in the 2011/12 Capital Programme based on the business case in Appendix 1 to this report;**

- | |
|---|
| <p>2. agree that the Channel Shift scheme be funded by using existing capital budget currently allocated to CRM (Customer Relationship Management) but not now needed for that purpose; and</p> <p>3. note that this results in no increase in the overall budget for the Capital Programme in 2011/12.</p> |
|---|

<p><i>Reason for Recommendations:</i></p>	<p><i>In order to progress the Channel Shift Strategy project, and identify the clear costs and benefits of the construction and implementation phase.</i></p>
---	--

Background

11. Channel shift is the process by which we seek to encourage customers to access, or interact with, our services via channels which they would prefer or are neutral about and can be delivered at least cost.
12. The Channel Shift Strategy will determine the design and marketing of effective and efficient communication channels that are most appropriate for specific types of customer contact. When implemented this has the potential to lower costs, build reputation, empower customers and improve the overall service proposition of the council.
13. The council's current default channel is the telephone. We receive approximately 1.5m telephone calls per annum, 50k face to face visits and only 42k web transactions. There are two primary issues with this approach to managing our customer interactions. These are:
 - a. It is expensive. Research shows that its costs on average £10.47 to serve a customer if they walk into one of our customer service centres, compared to £4.00 via telephone, and only 17p via the website.
 - b. It is not how many of our customers want to interact with us. Demand is ever increasing and customers expect a more personalised and higher quality service. Customer insight analysis has shown that a significant proportion of Central Bedfordshire residents have a preference for accessing the Council via the internet – and would use this channel this way if given the choice.

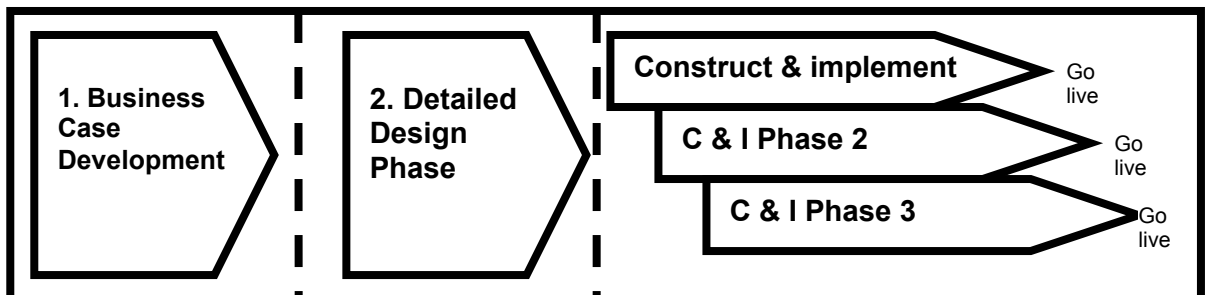
Channel Shift Strategy

14. The CBC Channel Shift Strategy aims to:
 - a. Improve the customer experience whilst interacting with Central Bedfordshire Council. Moving services online will make self-service easy for those who are able to access and use the internet. Integration of front and back office processes will ensure that customer enquiries can be resolved at their first point of contact with us, through the lowest cost channel.
 - b. Unlock the financial benefits that can be gained through avoiding unnecessary contact with customers or, where appropriate, enabling customers to interact with CBC through our website.

15. The Council has to look at ways of delivering service and customer contact in more cost efficient ways. Enabling and encouraging customers to change their choice of contact channel with the Council to lower cost alternatives (e.g. from telephone/face-to-face visits to web), and reducing the need for them to do so repeatedly will release significant benefits and improve the consistency and quality of the service customers receive. The Channel Shift Strategy will build on work already carried out on the new CBC website. The new website (due to go live shortly), which is based on refreshed content, an enhanced search capability and new functionality will provide the basis for further development to ensure transactional services are completed online.
16. Analysis of existing telephony, web and face to face volumes data combined with customer insight analysis and our understanding of channel preference has identified ten service areas to concentrate on during the project. These ten areas account for approximately 540k (36%) of the 1.5m calls received by the Council each year and 27k (54%) of our face to face contacts. Our analysis indicates that some 255k telephone calls and 2.1k face to face contacts could be avoided if customers were able to transact with the Council on-line. Once delivered, this shift in channel usage by customers will save the council roughly £1.5m per annum.

Next Steps

17. The project is split into three key stages. The first (business case development) has been completed (see appendix 1), and the project is moving on to phase two – detailed design.



18. Detailed design will take place over a period of four months. This stage will establish how the Council is currently organising delivery of customer transactions. By analysing these business processes as they work currently, the Council will then be able to identify unnecessary elements and redesign streamlined processes to allow customer self service. The design phase will identify the IT solutions required, and their associated costs.
19. The expected costs of the detailed design phase are contained in the business case attached at appendix 1. The project will be funded using existing capital allocated to CRM but which is not now needed for that purpose. Please note that the inclusion of the Channel Shift Strategy will therefore not increase the overall budget for the Capital Programme for 2011/12.

20. The detailed design phase will enable the Council to accurately predict levels of necessary investment and identify cashable efficiency savings. This will inform a revised business case (including benefits realisation plan) that will be validated, and a re-evaluation of the costs and benefits of the construction and implementation phase.

Appendices:

Appendix 1 – CBC Channel Shift Business Case

Background Papers: (open to public inspection) None.