

Meeting: Executive
Date: 3 July 2012
Subject: Customer First Implementation
Report of: Cllr Maurice Jones, Executive Member for Corporate Resources
Summary: Following detailed analysis of customer preferences, technical requirements and organisational capacity to change, the report proposes that the Council moves to implementation of a new service delivery model for Customer Service.

Advising Officer: Deb Clarke, Assistant Chief Executive
Contact Officer: Jonathan Drea, Customer First Programme Delivery Manager
Public/Exempt: Public
Appendix B is exempt under category number 3, information relating to the financial or business affairs of the Council
Wards Affected: All
Function of: Executive
Key Decision Yes

CORPORATE IMPLICATIONS

Council Priorities:

Customer First is as a key programme that enables the Council to meet its ambitions for customer service, as expressed within the medium term plan, Delivering your Priorities.

Customer First is a cross cutting programme which will build the capacity of the entire Council to serve customers more effectively and efficiently. As such it supports all of the priorities identified in the plan. The programme will allow the Council to deliver savings through effective use of technology.

Financial:

1. The programme requires capital investment of £1.689m in 2012/13. This is provided for in the existing capital programme.
2. From 2013/14 the programme will make a net revenue saving for the Council of more than £600k a year. Further savings will be identified. We will run a second design phase in parallel to the implementation phase in order to identify these.

Legal:

3. There are no legal implications related to the progression of the project from its detailed design phase through to implementation other than those related to employment law, as identified in the section of this report on staffing implications.

Risk Management:

4. Risks associated with the project will be managed using guidance in the CBC risk management methodology.

Staffing (including Trades Unions):

5. During the detailed design phase of the programme, it has been established that the implementation of a new customer service delivery model will allow the Council to reconfigure a number of services, resulting in a reduction of posts. The level of reduction is currently estimated to be approximately thirty five. Informal consultation with affected staff and Trade Unions has commenced and, subject to Executive decision making, a full consultation exercise will be managed as a critical element of the implementation programme. This will be conducted in line with the Council's Managing Change policy and will ensure that the authority's statutory responsibilities under employment law are met.

Equalities/Human Rights:

6. A full equality impact assessment has been conducted 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.
7. During the detailed design stage of the project, extensive consultation has been undertaken with customers, through discussion groups and a telephone survey with 1,000 customers, representative of the population of Central Bedfordshire.

Feedback to this consultation has been used to update the equality impact assessment which will continue to be monitored as the programme moves into its implementation phase, to ensure that the project continues to support our legal duties.

Public Health:

8. There are no immediate implications for public health associated with the next phase of the Customer First. This proposes an initial reconfiguration of fifteen services which will be accessible to customers on line or via the contact centre. However, the improvements to the website that implementation of the programme will create, will make if possible for other services provided by the Council to be accessible to customers on line in future. Such services could include those provided by public health.

Community Safety:

9. There are no immediate implications for community safety associated with the next phase of the Customer First. This proposes an initial reconfiguration of fifteen services which will be accessible to customers on line or via the contact centre. However, the improvements to the website that implementation of the programme will create, will make if possible for other services provided by the Council to be accessible to customers on line in future. Such services could include those related to community safety.

Sustainability:

10. A benefit of enabling customers to self serve through end to end processes is to reduce the amount of paper and printing.

Procurement:

11. The detailed design phase of the project has included a thorough assessment of the Council's technical infrastructure and its ability to deliver the functionality required to enable customers to contact us in new ways. This assessment has demonstrated that the Council requires additional technology and external expertise in order to implement it. The costs of this are specified in the Implementation Strategy and Plan and outlined in the Procurement section of this report at paragraph 26.

Overview and Scrutiny:

12. The Channel Shift strategy, on which the Customer First Programme has been developed, was considered by Customer and Shared Services Overview and Scrutiny Committee in advance of Executive decision making in November 2011. The Implementation Strategy and Plan has also been subject to consideration at the meeting of Corporate Resources Overview and Scrutiny Committee on 19 June 2012.

RECOMMENDATIONS:

The Executive is asked to:

1. endorse the Customer First Implementation Strategy and Plan;
2. approve the appointment of a technology partner for the programme, as set out in the exempt Appendix B to this report;
3. draw down funding of £1.689m from the Capital Budget;
4. approve the extension of the contract for the delivery partner, following a gateway review, on a risk and reward basis; and
5. endorse a second design phase aimed at bringing further services forward for improvement and savings.

<i>Reason for Recommendations:</i>	<i>So that the Council is able to deliver transformed Customer Services through the channels that our customers want and in the most cost effective way possible.</i>
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Executive Summary

13. Within our Medium Term Plan, Central Bedfordshire Council has committed to focus on customer experience and to ensure that this is delivered seamlessly.
14. Customer First is the programme that will turn this commitment into a reality by creating a new model of customer service that will give a first class experience to our residents, enabling them to interact with the council conveniently, simply and quickly.
15. The programme has been designed through rigorous analysis and informed by robust evidence about how we currently operate, what our customers and staff want, what technology we require, the costs and benefits of change.
16. This analysis is detailed in a comprehensive Implementation Strategy and Plan, attached at Appendix A.
17. Members of the Executive are invited to consider and endorse this plan in order that the Council can implement the programme that will both deliver improvements for our customers (the majority of whom have expressed a preference to be able self serve via our website) and unlock revenue savings of over £600k a year from 2013/14 onwards.

Looking to the future, the programme will create a website that will be capable of making many more of the 300 plus services provided by the Council available on line, yielding more savings in the years ahead.

Background

18. Customer First is a programme that will create a new model of customer service that will give a first class experience to our residents, enabling them to interact with the council conveniently, simply and quickly.

The programme has its roots in the Channel Shift Strategy that was considered by Executive in November 2011. This strategy was predicated on two key objectives:

- a. To improve the customer experience whilst interacting with Central Bedfordshire Council. Moving services online to make self-service easy for those who are able to access and use the internet. Integration of front and back office processes to ensure that customer enquiries can be resolved at their first point of contact, through the lowest cost channel.
- b. To 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.

The strategy was supported by an outline business case and the Executive endorsed a proposal to develop the programme through three phases of activity.

- a. The first, concluded in November, was to develop an outline strategy and business case.
- b. The second, reported to Executive now, was to enter into a detailed design phase which would fully investigate the viability of the strategy through analysis of customer preferences, staff experience, technical capacity and cost benefit analysis. This would inform a plan for implementation, incorporating a revised business case and a benefits realisation plan.
- c. The third phase will be the construction and implementation of the new model.

Customer Feedback

19. The outline strategy and business case made an assumption about demand for online services. It was assumed that pent up demand existed for online Council services.

An important part of the full business case was to test this assumption, and gain a real understanding of what residents of Central Bedfordshire really want. In order to do this we undertook a large scale piece of primary research. We carried out six focus groups to get a high level view of our residents' internet habits, and attitudes towards our services. This was followed up by a thousand telephone surveys, targeted specifically to give a representative sample of our population. We also carried out in depth surveys with planning agents – who make up a large part of the Planning service customer base.

20. The purpose of the primary research was to give us a strong evidence base on which to build the programme. We now know that there is real demand for service. We have an understanding of, by each individual service, what proportion of our customers will transact with us online. We know that most of our customers have the tools to self serve, and a significant proportion of them are currently waiting for us to develop this opportunity for them.

Technical Capability

21. In order to enable customers to do business with the Council online, our website will need to be capable of offering its users the opportunity to book services, make payments, report issues, make applications and track progress on their enquiries or service requests.

An assessment of our current ICT infrastructure against these core functions was conducted during the detailed design phase of the programme.

This exercise revealed that the Council currently lacks the majority of this functionality and that it is critical to enable it to enhance the website and offer self service.

Crucially, the Council requires systems that will offer users secure access to a site which will recognise them as a returning customer. Equally, the variety of discrete back office systems that are used to support individual services need to be technically capable of interacting with each other and with the website itself so that customer requests can be fully resolved through automated processes.

In order to build the website we need, we therefore need to procure new technology and this has been built into the implementation strategy and plan.

Current Ways of Working

22. A key part of preparing the implementation plan has been analysis of how customer contact is currently handled. In order to produce a robust business case we undertook a series of workshops with staff from across the in scope services. We started with high level design workshops – which identified a vision of how the service team members would like to interact with their customers. The workshops also identified the existing ‘as is’ processes for the services. These were followed up by detailed design workshops which mapped the processes needed to meet the services vision.
23. The workshops revealed a number of interesting points. Our teams often have to work with archaic and inconsistent processes – often because they do not have the ICT they require. There is a lot of double handling and duplication in the back office because of this. This is frustrating for our staff and for our customers. Importantly, there is a real desire to change this. Within our services there is a clear vision for a modern Council, with a real focus on what the customer wants.

A New Customer Service Model

24. The proposed future model for customer services is predicated on the following principles:
- (a) Services will be accessible on line to enable **self service** for those who would prefer to interact with us in this way.
 - (b) Services will continue to be accessible via **telephone**, managed through our corporately managed contact centre with automated technology (voice recognition) to smooth access and reduce wait times.
 - (c) Services will continue to be accessible through **face to face** contact, provided by a number of customer service centres. These will be provided in the most cost effective way possible.
 - (d) Customer management will only be handled in the back office functions of our services only where other approaches are not appropriate.

Based on these principles, plans have been developed to reconfigure customer management in the fifteen initial services in scope.

Costs and Benefits

25. The programme is predicated on making capital investment to reduce the Council's revenue budget. A breakdown of these costs is contained in the table below.

Expenditure Type	2012/13 £M
Capital Costs:	
<i>ICT - Software, Hardware & Supplier Costs</i>	-0.780
<i>ICT - Staff Costs</i>	-0.274
<i>Contingency</i>	-0.105
<i>Programme Team</i>	-0.261
<i>Professional Fees</i>	-0.270
Total Gross Capital Costs	-1.689

The investment will outweigh the benefits in year 1 of the programme. However, the programme will begin to payback in year 2, and has a payback period of 3.2 years. From 2012/13 onwards the programme will have a positive net impact of over £600k a year. Further details are contained within Appendix A.

Procurement

26. To enable the implementation plan to be progressed, it will be necessary to procure external services and expertise.
27. Following a competitive tendering exercise, the Council procured the professional services of PWC, who have experience of implementing similar change programmes for a number of authorities. PWC has worked with in-house officers in conducting the detailed design and developing the implementation strategy and plan.

It is our intention to continue PWC's involvement beyond the detailed design phase of the programme, and into the implementation phase. Our existing contract gives us the flexibility to do this because we tendered it on that basis. However engaging PWC for the next phase requires Executive approval, hence the recommendation. The PWC contract has been let on a risk and reward basis. This means that their fee is directly dependant upon the Council achieving the required level of benefits.

28. Following the review of our current technical infrastructure, a detailed specification has been developed for the Council to procure appropriate information and technology solutions to enable Customer First. This specification has now been put out to tender, using a framework contract. The results of this tender are contained at Appendix B. Recommendation 3 is for the Executive to approve the appointment of this tenderer. The contract will mobilise shortly after the Executive. This will enable us to commence work in early July, and complete by the end of the financial year.

Conclusions

29. Undertaking the detailed design phase of this programme has been invaluable in shaping our implementation plan.
30. The Council now has comprehensive evidence about the propensity of its customers to use new on line services and can feel confident that this programme will meet the changing needs of our residents.
31. Analysis of our technology, combined with a clear vision about how we want the future online experience of customers to be has shaped a tender that will enable us to build the website and technical infrastructure we will need.
32. Active engagement of our staff in services across the Council has allowed us to develop plans for future service delivery that are robust and deliverable.

33. Finally, the business case analysis for the migration of the initial fifteen services demonstrates a return on investment. By building this new platform, the Council is creating the opportunity to increase benefits further by making it possible for many more high volume and high value services to be made available for self service in the next stage of development.

Appendices:

Appendix A –Customer First Programme – Implementation Strategy and Plan - **Please note that Appendix A has previously been circulated to Executive Members. A copy is available at**

<http://www.centralbedfordshire.gov.uk/modgov/ieListDocuments.aspx?CId=577&MId=4049&Ver=4> or a hard copy can be obtained from Sandra Hobbs 0300 300 5257.

Appendix B – Exempt - Appointment of a Technology Partner for the Programme (to follow)

Background Papers: (open to public inspection)
Papers relating to the Customer First Programme