

# **Finance & Resources Overview & Scrutiny Committee**

**30 January 2013**

**Agenda Item 6 - Shared and Outsourced Update  
Report – Customer Service Centre and Gateway  
Contract Update & Risk Assessment**

**Annex A**

# Customer Service Centre Gateway Project PROJECT RISK ASSESSMENT

Annex A

Key to abbreviations:

|         |  |     |   |
|---------|--|-----|---|
| FIMR    | Financial; Infrastructure; Market; Reputation  | CRM | Customer Relationship Management System |
| TTTT    | Tolerate, Treat, Transfer or Terminate Risk  | CMT | Corporate Management Team               |
| GM      | Group Manager  | CSU | Customer Service Unit                   |
| AD      | Assistant Director   | CSC | Customer Service Centre                 |
| CM      | Contract Manager (To be appointed)   | ITT | Invitation to Tender                    |
| SD Plan | The CSU Service Delivery Plan 2013 – 2017 (A detailed Service Plan has been developed using the outcomes required by the ITT. It sets out details of how the Council will deliver the service in the future. This has been signed off by the Portfolio Holder, Corporate Director and Assistant Director of Finance) |     |   |

| <u>Risk</u>                     | <u>Consequence</u>  | <u>H.<br/>M<br/>L</u>  | <u>Catego<br/>ry<br/>(FIMR)</u> | <u>Who</u> | <u>TTTT</u> | <u>Controls / Actions</u> |   |
|---------------------------------|---|--|---------------------------------|------------|-------------|---------------------------|---|
| <b>Financial/Economic Risks</b> |   |  |                                 |            |             |                           |   |
| 1                               | CSU unable to make required savings if kept in house  | <ul style="list-style-type: none"> <li>Council budget not balanced</li> <li>Efficiencies and modernization not realised</li> <li>Reduced service to customers</li> </ul> | M                               | Financial  | GM          | Treat                     | <ul style="list-style-type: none"> <li>CSU Service Delivery Plan 2013 - 2017 ( SD Plan) identifies strategy for achieving savings</li> <li>Channel shift strategy allows savings to be realised through more customer interaction being undertaken via less expensive channels</li> <li></li> </ul> |
| 2                               | Tender Proposal is outside budget provision   | In House operation and project delivery remains most cost effective  | M                               | Financial  | AD          | Tolerate                  | <ul style="list-style-type: none"> <li>SD Plan used to develop service 2013 – 2017</li> <li>Winning bid recommendation meets financial criteria</li> </ul>  |
| 3                               | CSU Service Delivery Plan 2013 - 2017 works out to be best option, however potential legal costs of a challenge force a decision to outsource | Best option not followed.  | M                               | Financial  | AD          | Tolerate                  | <ul style="list-style-type: none"> <li>Evaluation criteria clear in ITT</li> </ul>  |

| <u>Risk</u> | <u>Consequence</u>   | <u>H<br/>M<br/>L</u>   | <u>Catego<br/>ry<br/>(FIMR)</u> | <u>Wh<br/>o</u> | <u>TTTT</u> | <u>Controls / Actions</u> |  |
|-------------|--|--|---------------------------------|-----------------|-------------|---------------------------|--|
| 4           | Unsuccessful bidders look to reclaim costs of their bids   | Financial loss   | L                               | Financial       | AD          | Tolerate                  | <ul style="list-style-type: none"> <li>ITT criteria clear</li> <li>Contract conditions well specified</li> <li>Process managed by multi disciplinary group</li> <li>External legal advice taken in development of process</li> </ul> |
| 5           | Private provider goes bankrupt   | <ul style="list-style-type: none"> <li>Loss of service</li> <li>Lack of business continuity capacity to manage service internally</li> </ul> | M                               | Financial       | AD          | Treat                     | <ul style="list-style-type: none"> <li>Financial evaluation undertaken by procurement team</li> <li>Business continuity covered in evaluation criteria</li> </ul>  |
| 6           | Risk of escalating costs due to unplanned events/inhouse areas/back office failures.                                     | <ul style="list-style-type: none"> <li>No change in service behaviours</li> <li>Financial penalties</li> </ul>                               | H                               | Financial       | AD          | Treat                     | <ul style="list-style-type: none"> <li>Avoidable Contact programme being developed</li> </ul>  |
| 7           | At VFM review outsource partner requests substantial increase in fees  | <ul style="list-style-type: none"> <li>Negative impact on Council resources</li> <li>Budgetary pressures</li> </ul>                          | H                               | Financial       | CM          | Terminate                 | <ul style="list-style-type: none"> <li>Negotiation at VfM Review in year 3</li> </ul>  |
| 8           | Outsource partners costs are more than expected  | <ul style="list-style-type: none"> <li>Negative impact on Council resources</li> <li>Budgetary pressures</li> </ul>                          | H                               | Financial       | AD          | Terminate                 | <ul style="list-style-type: none"> <li>Do not award</li> </ul>   |
| 9           | Tender is not priced properly as services not fully specified in Tender  | <ul style="list-style-type: none"> <li>Contract renegotiation</li> <li>Additional costs</li> </ul>   | H                               | Financial       | AD          | Treat                     | <ul style="list-style-type: none"> <li>Evaluation</li> </ul>   |
| 10          | Redundancy pay out within 1 <sup>st</sup> year of contract due to channel shift  | <ul style="list-style-type: none"> <li>Council incurs high redundancy costs</li> </ul>   | H                               | Financial       | AD          | Tolerate                  | <ul style="list-style-type: none"> <li>Considered within the financial comparison work undertaken</li> </ul>   |
| 11          | Not providing Value for Money - not clear how services will be affected by legislative changes. EG. Universal Credit etc | <ul style="list-style-type: none"> <li>Best Value not obtained by the Council</li> <li>Financial targets not met</li> </ul>                  | H                               | Financial       | AD          | Tolerate                  | <ul style="list-style-type: none"> <li>Legislative change included in the evaluation criteria</li> <li>Arrangements for payments to contractor included in Contract</li> <li>Governance board will manage service changes</li> </ul> |

| <b>Risk</b>                   | <b>Consequence</b>   | <b>H<br/>M<br/>L</b>  | <b>Catego<br/>ry<br/>(FIMR)</b> | <b>Wh<br/>o</b>               | <b>TTTT</b> | <b>Controls / Actions</b> |   |
|-------------------------------|--|---|---------------------------------|-------------------------------|-------------|---------------------------|---|
| 12                            | DBC will pay for providers profit through giving expert advice from back office services – there is no provision for surcharges back to the provider | • Best value not achieved through Council contract  | M                               | Finance                       |             | Treat                     | <ul style="list-style-type: none"> <li>• Service agreements in place from January 2013</li> <li>• Governance board will manage changes to the service</li> </ul>  |
| 13                            | Effect of introducing Universal Credit/losing housing repairs calls is more significant than expected  | • Outsource partner requests contract renegotiation   | M                               | Finance                       | AD          | Treat                     | <ul style="list-style-type: none"> <li>• Effect of introducing universal credit/losing housing repairs calls is more significant than expected</li> </ul>   |
| <b>Service Delivery Risks</b> |  |   |                                 |                               |             |                           |   |
| 14                            | If outsourcing fails, the Council will lose opportunity to have a CRM  | <ul style="list-style-type: none"> <li>• Reduction in potential efficiencies in CSU</li> <li>• Customer Service deteriorates</li> <li>• Insight and improvement opportunities are limited</li> <li>•</li> </ul> | M                               | I/structure                   | GM          | Treat                     | <ul style="list-style-type: none"> <li>• SD Plan identifies CRM requirement for service improvement and included in future strategic plan</li> <li>• Provisional Capital Strategy bid submitted</li> </ul>  |
| 15                            | If provider fails and contract is terminated, could lose info. on CRM  | • A need to ensure access to CRM and period to invest in new CRM  | M                               | Infrastructure                | GM          | Treat                     | <ul style="list-style-type: none"> <li>• To be included in contract negotiations to ensure no loss of information</li> </ul>  |
| 16                            | CSU unable to make required improvements   | <ul style="list-style-type: none"> <li>• Customer service deteriorates</li> <li>• Efficiencies not realized</li> <li>• Budget not balanced</li> </ul>   | M                               | I/Structure and Finance       | GM /C M     | Tolerate                  | <ul style="list-style-type: none"> <li>• SD Plan identifies required improvements</li> <li>• Channel shift strategy identified</li> <li>• PMF established for external contractor</li> </ul>  |
| 17                            | Service becomes Hemel Centric if services removed or reduced   | <ul style="list-style-type: none"> <li>• Services at Berkhamsted and Tring are reduced</li> <li>• Some residents become socially excluded</li> <li>• Possible Equality issues</li> </ul>                        | M                               | Reputation and Infrastructure | GM          | Tolerate                  | <ul style="list-style-type: none"> <li>• Equality impact Assessment undertaken</li> <li>• Assisted self-serve options available in SD Plan and included in ITT</li> <li>• Communications plan explains service changes</li> <li>• Tailored options developed to reduce social exclusion issues</li> </ul> |

| <b>Risk</b> | <b>Consequence</b>   | <b>H<br/>M<br/>L</b>  | <b>Catego<br/>ry<br/>(FIMR)</b> | <b>Wh<br/>o</b>                                    | <b>TTTT</b> | <b>Controls / Actions</b> |   |
|-------------|--|---|---------------------------------|--|-------------|---------------------------|---|
| 18          | Inability to provide service for other public services due to being outsourced – preventing achievement of PSQ vision                                      | <ul style="list-style-type: none"> <li>• Less potential to make savings across public sector orgs</li> <li>• Less opportunity for co-operation</li> <li>• Less comprehensive service to local community</li> <li>• Less capacity for cost sharing</li> <li>•</li> </ul> | H                               | Infrastr<br>ucture /<br>Financi<br>al              | AD          | Toler<br>ate              | <ul style="list-style-type: none"> <li>• Separate negotiation / tendering exercise to be undertaken with other public sector organisations as part of the PSQ project, if relevant</li> </ul> |
| 19          | Welfare Reforms and Changes to local Housing Allowance creates additional calls/face to face customers   | <ul style="list-style-type: none"> <li>• Face to face and call volumes increase and performance fails</li> <li>• Cost of service increases</li> <li>• Contract renegotiation</li> </ul>   | H                               | Infrastr<br>ucture<br>/Reputa<br>tion /<br>finance | AD          | Tran<br>sfer /<br>treat   | <ul style="list-style-type: none"> <li>• Performance Management Framework</li> <li>• Contract Terms and Conditions</li> <li>• PID developed for Welfare Reform project</li> </ul>             |
| 20          | Universal Credit – central government gives green light changing how benefits are dealt with leading to potential increase/decrease in calls               | <ul style="list-style-type: none"> <li>• Face to face and call volumes increase/decrease and supplier may dispute figures</li> <li>• Performance failure</li> </ul>   | H                               | Infrastr<br>ucture/<br>Reputat<br>ion /<br>finance | AD          | Toler<br>ate              | <ul style="list-style-type: none"> <li>• Performance Management Framework</li> <li>• Contract Terms and Conditions</li> <li>• PID developed for Welfare Reform project</li> </ul>             |
| 21          | Outsourced service prioritises profit above service to the community   | <ul style="list-style-type: none"> <li>• Customer service deteriorates</li> </ul>   | M                               | Reputat<br>ion                                     | CM          | Toler<br>ate              | <ul style="list-style-type: none"> <li>• Contract management</li> <li>• Performance Management Framework</li> </ul>   |
| 22          | Service Areas holding on to customer service administration activity   | <ul style="list-style-type: none"> <li>• CSU unable to generate enough volume to make a justifiable operation</li> </ul>  | M                               | Financi<br>al                                      | CM<br>T     | Treat                     | <ul style="list-style-type: none"> <li>• Robust strategic leadership from CMT</li> <li>• Strong Service Level Agreements</li> </ul>   |
| 23          | Creating a culture in the new provider of passing calls to the back office to falsely improve performance whilst creating additional work in service areas | <ul style="list-style-type: none"> <li>• Transfer rates to back office service areas increases due to customers creating impacts on council officers</li> </ul>   | M                               | Financi<br>al<br>Infrastr<br>ucture                | CM          | Treat                     | <ul style="list-style-type: none"> <li>• Contract Management</li> <li>• Service Agreements</li> </ul>   |

| <b>Risk</b> | <b>Consequence</b>  | <b>H<br/>M<br/>L</b>  | <b>Catego<br/>ry<br/>(FIMR)</b> | <b>Wh<br/>o</b>                   | <b>TTTT</b> | <b>Controls / Actions</b> |   |
|-------------|---|---|---------------------------------|-----------------------------------|-------------|---------------------------|---|
| 24          | “Specialist” officers from other services are not based in the CSC.   | <ul style="list-style-type: none"> <li>Reduced levels of customer service</li> <li>Increased ‘back office’ costs associated with avoidable contact</li> <li>Increased costs in CSU in wasteful transfers</li> <li></li> </ul> | H                               | Reputat<br>ion /<br>financia<br>l | GM          | Tran<br>sfer              | <ul style="list-style-type: none"> <li>SD Plan includes current model of specialist advisers given space within HH CSC</li> <li>Negotiation with winning provider to be undertaken to provide this</li> </ul> |
| 25          | If the service is not outsourced, no active management for common errors (eg payments getting lost for planning applications) | <ul style="list-style-type: none"> <li>Avoidable Contact not reduced</li> <li>Financial savings not made</li> </ul>   | H                               | Reputat<br>ion /<br>financia<br>l | GM          | Treat                     | <ul style="list-style-type: none"> <li>Issues Log will manage ‘system failure’ to resolution</li> <li>Service Level Agreements in place from January 2013 will develop better issue resolution</li> </ul>     |

### **Political Risks**

|    |   |   |   |                    |    |              |  |
|----|---|---|---|--------------------|----|--------------|--|
| 26 | Lack of Member support of decision  | <ul style="list-style-type: none"> <li>Lack of support for new arrangements</li> </ul>  | M | Infrastr<br>ucture | AD | Treat        | <ul style="list-style-type: none"> <li>Cabinet and Performance Board</li> <li>OSC papers</li> </ul>  |
| 27 | Opposition from trade unions  | <ul style="list-style-type: none"> <li>Withdrawal of support by staff</li> <li>Industrial action by staff</li> </ul>                            | M | Infrastr<br>ucture | AD | Treat        | <ul style="list-style-type: none"> <li>Regular fortnightly meetings with TU</li> <li>Regular staff meetings and communications</li> </ul>                        |
| 28 | In-house improvement plan does not receive Member support                       | <ul style="list-style-type: none"> <li>Key investments do not receive necessary funding</li> </ul>  | M | Financ<br>e        | AD | Toler<br>ate | <ul style="list-style-type: none"> <li>SD Plan specifies investment required to provide service</li> <li>CS bids submitted and noted in Capital Progm</li> </ul> |
| 29 | If kept in-house CSU does not get the investment (finance and human) to improve | <ul style="list-style-type: none"> <li>Customer service deteriorates</li> <li>Efficiencies not realised</li> <li>Budget not balanced</li> </ul> | H | Financi<br>al      | AD | Toler<br>ate | <ul style="list-style-type: none"> <li>Provisional Capital Strategy bids submitted</li> <li>SD Plan identifies required improvements</li> </ul>                  |

### **Performance Risks**

|    |  |   |   |                            |    |       |   |
|----|--|---|---|----------------------------|----|-------|---|
| 30 | Outsourced provider does not do what they said they would do | <ul style="list-style-type: none"> <li>Service Levels are poor</li> <li>Customer satisfaction reduces</li> <li>Council Transformation agenda not delivered</li> </ul> | L | Financ<br>e/Reput<br>ation | CM | Treat | <ul style="list-style-type: none"> <li>Performance Management Framework</li> <li>Contract between provider and Council includes non-performance criteria</li> </ul> |
|----|--|---|---|----------------------------|----|-------|---|

| <u>Risk</u>                 | <u>Consequence</u>   | <u>H<br/>M<br/>L</u> | <u>Catego<br/>ry<br/>(FIMR)</u> | <u>Wh<br/>o</u> | <u>TTTT</u> | <u>Controls / Actions</u>   |
|-----------------------------|--|----------------------|---------------------------------|-----------------|-------------|---|
| 31                          | Outsource partner does not run the operation to the level of service expected.                                 | L                    | Financial                       | CM              | Treat       | <ul style="list-style-type: none"> <li>Contract Management</li> <li>Performance Management Framework</li> </ul>   |
| 32                          | PIs and targets drive behaviour of provider  | M                    | Reputation                      | CM              | Tolerate    | <ul style="list-style-type: none"> <li></li> </ul>  |
| 33                          | Dip in performance in first 12 months due to implementation and providers reducing budgets (as requested)      | H                    | Reputation                      | CM              | Tolerate    | <ul style="list-style-type: none"> <li>Performance Management Framework to manage this with financial penalties possible for continued poor performance</li> </ul>            |
| 34                          | Outsourced provider does not improve performance   | L                    | Reputation                      | CM              | Treat       | <ul style="list-style-type: none"> <li>Performance Management Framework</li> <li>Contract between provider and Council includes non-performance criteria</li> <li></li> </ul> |
| 35                          | Contractor brings in other external business and this has impact on performance ratings and quality of service | L                    | Reputation                      | CM              | Treat       | <ul style="list-style-type: none"> <li>Contract Management</li> <li>Performance Management</li> </ul>   |
| <b><u>Project Risks</u></b> |  |                      |                                 |                 |             |   |
| 36                          | Preferred Bidder withdraws prior to Cabinet decision   | M                    | Rep't'n / fin/ Market           | AD              | Tolerate    | <ul style="list-style-type: none"> <li>Review of outsourcing arrangement via CMT and Performance Board</li> </ul>   |
| 37                          | Bidders withdraw interest prior to ITT deadline  | M                    | Reputation / Market             | AD              | Tolerate    | <ul style="list-style-type: none"> <li>Cabinet decision</li> <li>Review of outsourcing arrangement via CMT and Performance Board</li> <li></li> </ul>                         |
| 38                          | Bidders ask for additional time to submit bids   | L                    | Finance Market                  | AD              | Tolerate    | <ul style="list-style-type: none"> <li>Bids received by due date</li> </ul>   |

| <u>Risk</u> | <u>Consequence</u>   | <u>H<br/>M<br/>L</u> | <u>Catego<br/>ry<br/>(FIMR)</u> | <u>Wh<br/>o</u> | <u>TTTT</u> | <u>Controls / Actions</u>   |
|-------------|--|----------------------|---------------------------------|-----------------|-------------|---|
| 39          | Not evaluating the option for a third model for CSU – that of moving specialist advisors to services rather than CSU model – potential cost benefits not evaluated | L                    | Finance / infrastructure        | AD              | Tolerate    | <ul style="list-style-type: none"> <li>• Cabinet decision to adopt this model for CSU</li> <li>• Cabinet decision on how to proceed will resolve this approach</li> </ul>   |
| 40          | Risk not considering 3 <sup>rd</sup> option (as above) prevents sharing services made easier.  | L                    | Finance / infrastructure        | AD              | Tolerate    | <ul style="list-style-type: none"> <li>• Cabinet decision to adopt this model for CSU</li> </ul>  |
| 41          | Council not ready or able to manage contract if outsourcing fails  | H                    | Reputation                      | GM              | Treat       | <ul style="list-style-type: none"> <li>• SD Planservice plan developed that details the service that will be delivered in event that outsourcing does not happen</li> <li>• Revised Business Continuity Plan required to be developed</li> <li>•</li> </ul> |
| 42          | Unsuccessful bidders challenge contract award decision   | L                    | Finance / reputation            | AD              | Tolerate    | <ul style="list-style-type: none"> <li>• ITT criteria clear</li> <li>• Contract conditions well specified</li> <li>• Process managed by multi disciplinary group</li> <li>• External legal advice taken in development of process</li> <li>•</li> </ul>     |
| 43          | Poor process as risk assessment was not completed at the beginning of the project  | L                    | Reputation                      | AD              | Terminate   | <ul style="list-style-type: none"> <li>• Learning points from process captured for subsequent projects</li> <li>• Generic contract conditions developed for future work</li> <li>•</li> </ul>   |
| 44          | Risk that technology within retained organisation does not fit with investments in technology in CSU   | M                    | Infrastructure                  | AD              | Treat       | <ul style="list-style-type: none"> <li>• ICT strategy</li> </ul>  |



| <u>Risk</u>                           | <u>Consequence</u>   | <u>H<br/>M<br/>L</u>  | <u>Catego<br/>ry<br/>(FIMR)</u> | <u>Wh<br/>o</u>    | <u>TTTT</u> | <u>Controls / Actions</u>      |  |
|---------------------------------------|--|---|---------------------------------|--------------------|-------------|--------------------------------|--|
| <b>Staff/ Employees Related Risks</b> |  |   |                                 |                    |             |                                |  |
| 45                                    | Loss of staff in CSU (skills/knowledge) pre and post Cabinet decision                            | <ul style="list-style-type: none"> <li>Customer service reduced</li> <li>Recruitment needs add additional work onto managers</li> <li>Loss of local knowledge</li> <li></li> </ul>                    | H                               | Infrastr<br>ucture | GM          | Toler<br>ate                   | <ul style="list-style-type: none"> <li>Communications strategy</li> <li>Staff Reference Group</li> </ul>   |
| 46                                    | Loss of staff productivity through disengagement /stress / loss of goodwill /turnover/ sickness  | <ul style="list-style-type: none"> <li>High absenteeism</li> <li>Low morale</li> <li>Lack of engagement</li> <li>Poor customer service</li> </ul>   | H                               | Infrastr<br>ucture | GM          | Treat                          | <ul style="list-style-type: none"> <li>Staff Reference Group</li> <li>'Dacorum Delivers' for staff information</li> <li>Fortnightly meetings with Unison</li> <li>Sickness Absence monitoring and management</li> </ul>                  |
| 47                                    | Immediate loss of staff at time of outsource   | <ul style="list-style-type: none"> <li>Loss of skills</li> <li>Poor performance</li> </ul>  | H                               | Infrastr<br>ucture | GM          | Toler<br>ate                   | <ul style="list-style-type: none"> <li>Staff engagement through staff reference group / team meetings / communications</li> </ul>  |
| 48                                    | Staff may leave if service kept in house as disillusioned with Council.                          | <ul style="list-style-type: none"> <li>Loss of skills</li> <li>Poor performance</li> </ul>  | M                               | Infrastr<br>ucture | GM          | Treat                          | <ul style="list-style-type: none"> <li>Staff engagement through staff reference group / team meetings / communications</li> </ul>  |
| 49                                    | Loss of staff engagement (desire to work for /represent local govt)                              | <ul style="list-style-type: none"> <li>Poor customer service</li> <li>Poor Council reputation</li> </ul>  | M                               | Infrastr<br>ucture | GM          | Treat<br>/Tran<br>sfer         | <ul style="list-style-type: none"> <li>Staff engagement through staff reference group / team meetings / communications</li> </ul>  |
| 50                                    | Loss of local jobs   | <ul style="list-style-type: none"> <li>Negative impact on local economy</li> </ul>  | M                               | Financi<br>al      | AD          | Toler<br>ate                   | <ul style="list-style-type: none"> <li>ITT covers potential for additional work to be brought to Dacorum to prevent redundancies</li> <li>ITT states Council's priority to local employment</li> </ul>                                   |
| 51                                    | Staff training/ development /expertise impacted if outsourced through weaker links with location | <ul style="list-style-type: none"> <li>Reduced quality service to customers</li> </ul>  | L                               | Infrastr<br>ucture | GM          | Treat                          | <ul style="list-style-type: none"> <li>Location of CSU specified in ITT</li> <li>Evaluation will consider Call Centre location and local links</li> <li>Staff development considered as part of evaluation criteria</li> <li></li> </ul> |
| 52                                    | Separation of CSU into Call Centre and CSCs – structure – loss of jobs/Service delivery          | <ul style="list-style-type: none"> <li>Reduced quality service to customers</li> <li>Lack of employment options</li> <li>Council strategy on local financial wellbeing and growth impacted</li> </ul> | M                               | Infrastr<br>ucture | GM          | Tran<br>sfer /<br>Toler<br>ate | <ul style="list-style-type: none"> <li>Location of CSU specified in ITT</li> <li>Evaluation will consider Call Centre location and local links</li> </ul>  |

| <b>Risk</b>                   | <b>Consequence</b>   | <b>H<br/>M<br/>L</b>  | <b>Catego<br/>ry<br/>(FIMR)</b> | <b>Wh<br/>o</b>                   | <b>TTTT</b> | <b>Controls / Actions</b>      |   |
|-------------------------------|--|---|---------------------------------|-----------------------------------|-------------|--------------------------------|---|
| 53                            | Telephone/f2f locations split – impact on service delivery (preventing multi skilling, cross training etc)   | • Reduced quality service to customers<br>• Lack of employment options<br>• DBC strategy on financial wellbeing and growth impacts                | M                               | Infrastr<br>ucture                | GM          | Tran<br>sfer /<br>Toler<br>ate | • Location of CSU specified in ITT<br>• Evaluation will consider Call Centre location and local links   |
| 54                            | Housing Repairs contract reduces call volumes  | • Bidders may dispute volumes originally presented  | L                               | Financ<br>e                       | GM          | Toler<br>ate                   | • Volumes checked and confirmed prior to ITT release  |
| <b>Customer Related Risks</b> |  |   |                                 |                                   |             |                                |   |
| 55                            | Berkhamsted and Tring Centre's lose reception for buildings and area   | • Loss of service to local people<br>• Costs increase to develop 'reception' areas  | H                               | Financ<br>e                       | AD          | Treat                          | • This is outside the scope of this project but needs to be considered as an effect of any changes at Berkhamsted and Tring   |
| 56                            | Customer perception of contact with speaking to a Council employee   | • Customers may become disengaged from their Council  | L                               | Reputat<br>ion                    | GM          | Toler<br>ate                   | • Council communications will need to be robust<br>• CSU staff and processes will need to have visible and audible 'cues' that relate to the Council                                      |
| 57                            | Reduction in customer satisfaction within the CSU  | • Customers identify poor service in CSU causing a bad reputation for the Council   | L                               | Reputat<br>ion                    | GM          | Toler<br>ate                   | • Performance Management Framework will help manage performance<br>• Council performance manage the contract  |
| 58                            | Reduction in customer satisfaction across the organisation through reduced customer insight  | • Poorly planned services<br>• Financial savings missed<br>• Poor Reputation  | L                               | Reputat<br>ion /<br>financia<br>l | GM          | Treat                          | • Development of Customer insight Strategy to be considered<br>• Development of Customer Insight performance measures to be considered  |
| 59                            | Lack of customer consultation in development of project (eg: does the customer prioritise being seen quickly over getting a comprehensive response with good quality info) | • Customers react to changes<br>• Customers do not support channel shift<br>• Customers want other options of interaction not included in project | M                               | Reputat<br>ion                    | GM          | Toler<br>ate                   | • Changes to service will have a clear communication strategy attached to encourage customers to be involved<br>• CSU operation and performance was consulted upon at 2012 Listening Days |

| <u>Risk</u>  | <u>Consequence</u>   | <u>H<br/>M<br/>L</u> | <u>Catego<br/>ry<br/>(FIMR)</u>  | <u>Wh<br/>o</u> | <u>TTTT</u>                                   | <u>Controls / Actions</u> |                  |   |
|--|--|----------------------|--|-----------------|---|---------------------------|------------------|---|
| 60   | Risk that notes become less meaningful / more scripted   |                      | Reduced capacity for staff to deliver service in best interests of customer<br>• Less job satisfaction<br>•  | L               | Reputation / Infrastructure                   | GM                        | Tolerate         | • Performance Management Framework  |
| 61   | Communications with customers impacted by adverse media  |                      | • Poor reputation<br>• Drop in performance   | M               | Reputation                                    | AD                        | Treat            | • Communications plan in place prior to decision  |
| 62   | Loss of control of links with – customer service/community/ insight  |                      |  | H               | Reputation                                    | AD                        | Tolerate         | • Performance Management Framework will be in place<br>• Customer Insight role will help develop better links with Customers<br>•         |
| 63   | Outside organisations will lose free support provided by CSU (e.g. tourist information, foodbank, herts young homeless, mitie) |                      | • Reduced customer service<br>• Social welfare role reduced<br>• Disadvantaged communities become more isolated  | H               | Infrastructure                                | GM                        | Tolerate / Treat | • To be discussed during the ‘mobilisation’ period with the supplier if outsourced<br>• Levels of support identified within service SLA’s |
| <b><u>Technological, Web Development and Channel Shift Risks</u></b> |  |                      |  |                 |   |                           |                  |   |
| 64   | Move to implement channelshift is not properly managed and customers cannot access the CSU as required                         |                      | • Poor quality service for customers<br>• Channel shift does not occur<br>• Savings not realized   | H               | Infrastructure                                | AD                        | Treat            | • Web improvement plan in place<br>• Web Strategy being developed   |
| 65   | Web development does not achieve required improvements in service delivery   |                      | • Channel Shift not developed<br>• Contractor organization cannot achieve acceptable performance levels<br>• Poor service levels for customers<br>• Increased costs to Council | H               | Market / Reputation/Infrastructure/ Financial | AD                        | Treat            | • Web improvement plan<br>• CSU Performance Management Framework  |

| <b>Risk</b> | <b>Consequence</b>   | <b>H<br/>M<br/>L</b>   | <b>Category<br/>(FIMR)</b> | <b>Who</b>                            | <b>TTTT</b> | <b>Controls / Actions</b> |  |
|-------------|--|--|----------------------------|---------------------------------------|-------------|---------------------------|--|
| 66          | Website is not enabled to take transactions leading to the ability for customers who wish to channel shift to on-line not being able to. | • Phone calls and face to face visits do not reduce creating unnecessary costs in the front line service delivery operation  | M                          | Infrastructure / Finance / Reputation | AD          | Treat                     | • Website Improvement plan being developed   |
| 67          | Non - adoption of CRM across the council impacts the business case   | Leads to fragmented business intelligence and customer insight   | M                          | Infrastructure                        | AD          | Treat                     | • Requirement from CMT to use Customer intelligence through CRM<br>• Organisational Transformation Working group |
| 68          | Lack of ownership e.g. liability of systems – particularly if ICT is also outsourced.  | • Poor issue resolution<br>• Poor system integration<br>• Poor service to customers<br>• Financial savings not realized<br>• | H                          | Infrastructure                        | AD          | Treat                     | • Robust contract management required  |
| 69          | In house – plans to improve the CSU via CRM are unsuccessful due to difficulty of integrating key systems                                | • Money is wasted on a system which does not fulfill its purpose   | M                          | Infrastructure                        | GM          | Treat                     | • SD Plan includes financial cost of researching and integrating the systems properly                            |
| 70          | Introduction of CRM is unsuccessful as system not used to full potential   | • Information is not put to good use to inform policy<br>• system becomes a “white elephant”<br>•                            | M                          | Infrastructure                        | AD          | Treat                     | • Customer Insight strategy to be developed  |
| 71          | Transformation Agenda/ Flexible and Remote working – provider does not adapt at same pace.   | • Council does not achieve transformation as planned<br>• New ways of working not adopted                                    | L                          | Infrastructure / Reputation           | AD          | Tolerate                  | • Contained in the evaluation criteria – bids evaluated on this aspect   |

| <u>Risk</u>                             | <u>Consequence</u>  | <u>H<br/>M<br/>L</u>   | <u>Catego<br/>ry<br/>(FIMR)</u> | <u>Wh<br/>o</u>                     | <u>TTTT</u> | <u>Controls / Actions</u>  |  |
|---|---|--|---------------------------------|-------------------------------------|-------------|----------------------------|--|
| <b>Organisational / Corporate Risks</b> |   |  |                                 |                                     |             |                            |  |
| 72                                      | Council documentation does not change creating continued need for customers to make contact, repeat calls for clarification and avoidable contact | Channel Shift is hindered as the “call to action” is confusing and opportunities to reduce costs are missed  | H                               | Infrastr<br>ucture                  | AD          | Treat                      | <ul style="list-style-type: none"> <li>• Through the eyes of the customer project</li> <li>• Avoidable Contact campaign</li> <li>• Telephony and customer culture IDP project</li> <li>• Voicemail campaign</li> <li>• Communications support</li> <li>• Organisational transformation corporate Group leads change</li> </ul> |
| 73                                      | A decision not to outsource leads to no change to existing operation / no transition to cheaper channels  | <ul style="list-style-type: none"> <li>• Operational costs remain high</li> <li>• customer experience deteriorates</li> </ul>  | L                               | Reputat<br>ion /<br>Financ<br>e     | GM          | Treat                      | <ul style="list-style-type: none"> <li>• SD Plan identifies improvement strategy</li> <li>• ‘Through the Eyes of the Customer’ project and other corporate-culture projects</li> </ul>   |
| 74                                      | Back office staff do not recognize changes to CSU service delivery  | <ul style="list-style-type: none"> <li>• No change in service behaviours</li> <li>• Financial penalties</li> <li>• Lack of staff for corporate projects (eg: elections)</li> </ul> | H                               | Financi<br>al                       | AD          | Treat                      | <ul style="list-style-type: none"> <li>• Avoidable Contact programme being developed</li> </ul>  |
| 75                                      | The Council loses sight of input/support CSU provides for DBC (emergencies/elections)   | <ul style="list-style-type: none"> <li>• Lack of staff for corporate projects</li> </ul>   | H                               | Financi<br>al                       | AD          | Toler<br>ate               |  |
| 76                                      | Increased back office work load- reduced cooperation between services leading to impacted service delivery  | <ul style="list-style-type: none"> <li>• Transfer rates to back office service areas increases due to customers creating impacts on council officers</li> </ul>                    | M                               | Financi<br>al<br>Infrastr<br>ucture | CM          | Treat<br>/<br>Toler<br>ate | <ul style="list-style-type: none"> <li>• Contract Management</li> <li>• Service Agreements</li> </ul>  |
| 77                                      | Loss of partnership between CSU and other services  | <ul style="list-style-type: none"> <li>• Reduced service to local people</li> </ul>  | M                               | Infrastr<br>ucture                  | GM          | Treat                      | <ul style="list-style-type: none"> <li>• Performance Management</li> <li>• Service Agreements</li> </ul>   |

| <u>Risk</u>           | <u>Consequence</u>   | <u>H<br/>M<br/>L</u>  | <u>Catego<br/>ry<br/>(FIMR)</u> | <u>Wh<br/>o</u>   | <u>TTTT</u> | <u>Controls / Actions</u> |  |
|-----------------------|--|---|---------------------------------|---|-------------|---------------------------|--|
| 78                    | CSU aspirations and plans do not match back office service assumptions, aspirations and plans. | <ul style="list-style-type: none"> <li>• Mismatched service provision</li> <li>• Poor service to local community</li> <li>• Financial loss</li> </ul> | M                               | Infrastr<br>ucture /<br>Financ<br>e                     | AD          | Treat                     | <ul style="list-style-type: none"> <li>• Service Agreements with services</li> </ul>   |
| 79                    | If keeping service in house, implementation process of changes will continue to take time.     | <ul style="list-style-type: none"> <li>• Poor performance</li> <li>• Higher costs</li> </ul>  | M                               | Infrastr<br>ucture                                      | GM          | Toler<br>ate              | <ul style="list-style-type: none"> <li>• Service Agreements</li> <li>• SD Plan - service plan commits to implementation within timescales</li> </ul> |
| <b>Physical Risks</b> |  |   |                                 |   |             |                           |  |
| 80                    | Security of building and staff   | <ul style="list-style-type: none"> <li>• Staff injury</li> <li>• Building damage</li> <li>• Customer care is reduced</li> </ul>                       | M                               | Infrastr<br>ucture /<br>Financ<br>e /<br>Reputat<br>ion | GM          | Treat                     | <ul style="list-style-type: none"> <li>• Negotiation with provider and FM contract manager required</li> </ul>                                       |