Report for:	Finance & Resources Overview & Scrutiny Committee
Date of meeting:	5 November 2014
PART:	1
If Part II, reason:	

Title of report:	**Shared and Outsourced Services Update – Customer Service Centre and Gateway Contract (CSCG)**
Contact:	Cllr Neil Harden, Portfolio Holder for Residents & Regulatory Services Cllr Brian Ayling, Cabinet Support Member Responsible Officers: Steve Baker – Assistant Director Ben Hosier – Group Manager (Procurement) Matt Rawdon – Group manager (People) Mark Housden - Commercial Contracts Lead Officer
Purpose of report:	To update Members on progress with the Customer Service Centre and Gateway project.
Recommendations	That Members note progress and comment on the Customer Service Centre and Gateway project.
Corporate objectives:	Supporting the 'Dacorum Delivers' strategic change programme
Implications: 'Value For Money Implications'	Financial: Efficiency savings have been identified as part of the overall project and will be monitored through the Performance Management Frameworks, which form part of the contract documentation. Value for Money: Current central government legislation has identified that local authorities should seek to provide value for money for citizens by exploring partnership arrangements to deliver services. The Northgate proposal was tested against a public sector comparator to demonstrate that the contract will provide value

	for money.
Risk Implications	A risk assessment of the CSCG project has been undertaken and reported to the Overview and Scrutiny Committee. An ongoing risk log was developed to cover all aspects of the transfer. Post contract completion a new project plan has been introduced and a revised risk register, focused on delivery, has been developed.
Equalities Implications	Equality Impact Assessment carried out. This was included in the report to Cabinet on 26th March 2013. Further impact assessments will be required to assess the impact of the Customer Relationship Management and Channel Shift projects.
Health And Safety Implications	There are no immediate health and safety issues. During the period March to July 2013 additional security arrangements were in place in the reception area to help manage the transition to Council Tax Support. The transition is now complete and therefore the additional security has been withdrawn. Normal security levels for staff are now in place.
Consultees:	A corporate multi-disciplinary project team has been developing the CSCG project. In addition Customer Services staff have been engaged through regular staff meetings and the Staff Reference Group. Unison has also been consulted regularly. Approval for contract signature and transfer of service was delegated by Cabinet to the Portfolio Holder for Residents and Regulatory Services and the Corporate Director (Finance and Governance).
Background papers:	• Cabinet report, 26 March 2013 – Customer Service Centre and Gateway Tender Exercise (Part 2) • Cabinet report, 25 June 2013 – Customer Service Centre and Gateway Contract (Part 2) • Cabinet report, 23 July 2013 – Customer Service Unit Drawdown from Reserves
Historical background *(please give a brief background to this report to enable it to be considered in the right context).*	In May 2011 Cabinet approved a Shared and Outsourced Services project. The project's objective was to explore shared service options for a number of Council services, including a 'strategic partnering' approach for Customer Services. The approved procurement process resulted in the Customer Service Centre and Gateway Invitation to Tender (ITT) being released to the market on 30th October 2012. On 26 March 2013 Cabinet approved the award of a four year contract to Northgate Information Solutions Ltd. On 25 June 2013, Cabinet delegated authority to the Portfolio Holder for Residents and Regulatory Services on the advice of the Corporate Director (Finance & Governance) to bring

	forward the forward the contract signature date (the Effective Date) and Operational Service Commencement Date, subject to completion of agreed tasks. The Finance & Resources Overview & Scrutiny Committee has continued to receive updates on progress on the contract since September 2012.
Glossary of acronyms and any other abbreviations used in this report:	CSCG - Customer Service Centre and Gateway CSU - Customer Service Unit ITT - Invitation to Tender CRM - Customer Relationship Management System OLA - Operating Level Agreements PMF - Performance Management Framework Braxtel – Telephone call queuing system(old) Netcall - Telephone call queuing system(new) Q-Matic – Customer queue ticket system Inform360 – Automated telephone information giving system CSSG – Capital Strategy Steering Group

1. Background

1.1. The contract for the delivery of the Customer Service Centre and Gateway (CSCG) to Northgate Information Solutions UK Ltd (Northgate) was signed on 12 July and the service was transferred to Northgate on 5 August 2013.

1.2. This report provides an update on the performance of the contract.

2. Financial monitoring

2.1. Not included in this report.

3. Performance monitoring

3.1. The Commercial Contracts Lead Officer manages the contract on a day to day operational basis with a focus on client side monitoring, assessment and management of the contract.

3.2. Performance of the contract is managed in partnership with Northgate through an Operations Board which meets monthly to consider:

- Achievement against Key Performance Indicators (KPIs) for the preceding month and any service credits due

- Management issues

- Progress against the two core projects in the transformation programme: Customer Relationship Management (CRM) and channel shift

- Risk associated with the contract and delivery of the transformation programme.

3.3. In addition a quarterly Customer Service Unit (CSU) Strategic Board is held to oversee progress and support the Operations Board.

3.4. The KPI results for the contract are shown in the tables below.

CALL HANDLING	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
% CALLS ABANDONED	3%	4%	6%	3%	12%	7%	10%	5%	4%	1%	2%	1%
TARGET	13%	13%	13%	13%	10%	10%	10%	7.5%	7.5%	5.0%	5%	5%
% CALLS ANSWERED IN 20 SECONDS	79%	70%	62%	86%	71%	73%	73%	77%	78%	89%	88%	88%
TARGET	50%	50%	50%	50%	60%	60%	60%	65%	65%	70%	70%	70%
OPENING HOURS ACTUAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
OPENING HOURS TARGET	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
FACE TO FACE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
% CUSTOMERS SERVED IN 5 MINS	77%	75%	71%	66%	67%	66%	56%	70%	73%	75%	70%	71%
TARGET	63%	63%	63%	63%	65%	65%	65%	70%	70%	70%	70%	70%
LESS THAN 30 MINS WAIT FOR 95% CUSTOMERS	100%	99%	100%	100%	99%	95%	97%	100%	100%	100%	100%	100%
TARGET	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
OPENING HOURS ACTUAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
OPENING HOURS TARGET	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
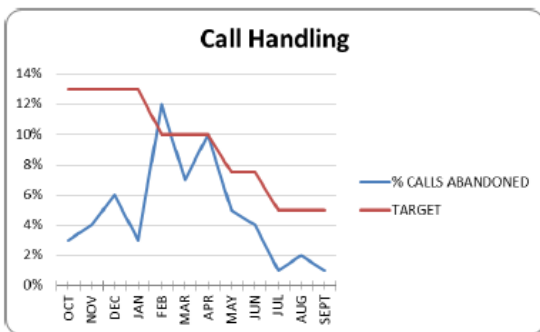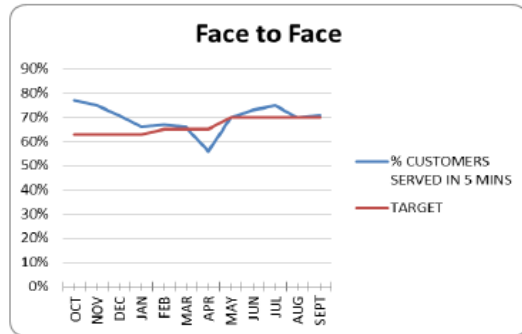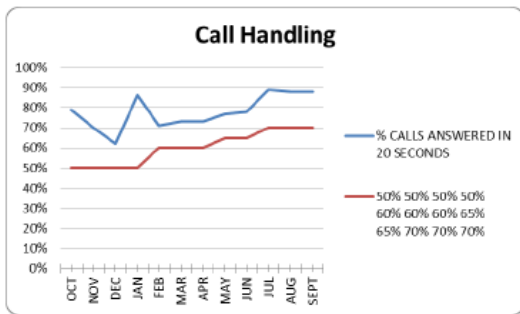
3.5. One of the KPIs within the contract is face to face waiting times. There are two indicators:

1. Average wait time: The current target was increased from 65% in February 2014 and to 70% in May. Northgate have reported that this target is difficult to achieve pulling resources from the team answering telephone calls. However the target continues to be met.

2. Longest wait time: the current target is that no more than 5% of customers have to wait longer than 30 minutes to be seen. This indicator exists to ensure that where increased volumes of customers come into the Council, the contractor commits additional resources to reduce the impact on waiting times. The indicator remains at 95% throughout the transition period and beyond.

3.6. The KPIs within the contract for telephony has increased over the last year and now stands at 70% answered within 20 seconds, and calls abandoned reduced to 5%. These were both met during September.

3.7. The contract allows for the Council to alter targets to drive improved performance over time. Discussions regarding the altering the KPIs are ongoing with a view to introduce more relevant measures of performance.

3.8. Other performance monitoring information is available under the terms of the contract but it is for monitoring purposes only. Data for September 2014 is shown in the table below

Non-KPI Data, September 2014

Average wait time	2 minute 33 seconds
Longest wait time	26 minutes 24 seconds
Average call length	3 minutes, 05 seconds
Enquiries resolved at first point of contact	97%
Staff utilisation	73%

4. Factors affecting performance

4.1. The actions taken following the extraordinary meeting of the CSU Strategic Board held on the 15th May 2014 have brought stability to the service and the number of complaints have reduced significantly. The actions taken included taking on additional staff and reviewing the existing Inform360 scripts.

4.2. Implementation of CRM system has been on hold awaiting PSN accreditation. This was achieved during June. The system is now being used by CSU staff and connectivity between Revs and Bens systems is being configured.

4.3. The replacement of Braxtel took place in early June and this is now providing real-time management information to support day to day decisions on resource flexing between face to face and telephony. It is also now providing information to support reviews of calls being handled to identify problems.

4.4. Telephony issues in September impacted on service delivery. The calls were not getting through to the Contact Centre due to problems with the Mitel switch. Dacorum ICT resolved the situation within one day of the problems being reported but this caused an increase in calls when the problem was rectified and impacted on the statistics.

5. The key service developments during September were as follows:

- Customer insight activity to review /position channel access strategies continues and a new customer insight officer has been appointed by Northgate
- CRM is now in use in CSU
- Active engagement with the Customer Focus group has helped identify a number of causes of avoidable contact and areas where Inform360 scripts and Website enhancements can be made.
- Proposals have been submitted to CSSG to improve the layout of the reception area and Face to Face Layout to improve the customer experience including flow, layout, payment and self-service zones and express service along with improved signage.

- Proposals to install and pilot the use of a self-service machine to take payments and give information have also been submitted to CSSG. This will take advantage of the weekend opening to provide this service to customers.

6. Service Improvement Plan

The SIP is a key document that forms part of Northgate's contractual obligations. It sets out a timetable for implementing key stages of the service development, including two specific projects relating to the transformation:

- The introduction of a Customer Relationship Management (CRM) system, including Citizen Insight.

- Channel shift from face-to-face and call contact to web-based interaction where this improves access to services and promotes efficiency.

CRM

6.1. The Customer Relationship Management System is now implemented and in use in CSU. Work continues to ensure the flow of data is operating correctly and the interfaces are set up correctly.

6.2. The CRM system operates by drawing information from back office systems into one system to provide a 'single view of the customer'. This means that when customers contact the council all their details and transactions can be accessed quickly and easily by CSU staff. The CRM system will bring benefits over time in terms of:

- improving the quality of interactions with customers

- reducing training for new staff who will only have to view one system which brings in data from back office systems.

6.3. However, the introduction of CRM is a key item within the agreed Service Improvement Plan and we will continue to monitor progress to ensure that the Council realises the full benefits of the contract as the system develops.

Channel shift

6.4. This has been a significant area of activity for some time and has led to a number of outputs to date that are designed to increase the extent that services are shaped around customers' needs and to increase access to services through increased use of the Council's website and other media:

- Web and Customer Access Strategy, updated edition agreed May 2014
- Re-launch of the website in April 2013
- The Customer Promise published in June 2013 and reproduced at: http://www.dacorum.gov.uk/home/customer-promise
- The inclusion in the CSCG contract with Northgate of Customer Relationship Management and Citizen Insight projects
- The development of a database of indicators of wellbeing and the Evidence Based Decision Making project
- The Digital Inclusion project
- Two-day leadership team development programme with customer focus as the central theme
- The development of a Customer Focus Group to review activities within Dacorum to ensure changes are implemented to support channel shift

6.5. Each component of this shift to digital access has to date been managed separately. The inclusion of related projects within the Northgate contract was designed to move things forward through a partnership approach. However, the contract has limited objectives which relate to the impact of CRM and Channel Shift on the function of the Customer Services Centre rather than on the Council as a whole

6.6. A wider need has been recognised to engage all services and functions in the pursuit of increased customer focus. Therefore it is necessary to bring all of these strands together in a co-ordinated way and to establish the Customer Focus theme as central to departmental strategies and operational plans.

6.7. A cross organisation Customer Focus project has been established to gain customer perspectives on service delivery and to deliver internal changes in support of channel shift and to reduce failure demand.

7. C**ustomer Focus Project – Highlights**

In June 2014, a project team was assembled to look at what issues customers face when they deal with us, and how our services can make our customers' experience even better.   The project team consisted of service experts, communications, IT and business improvement.

The project team (headed up by Matt Rawdon Group Manager – People) put themselves in the shoes of our customers and explored ways that services can work to make a difference to our customers' experience. This was achieved by:

- Spending time in the customer service unit - seeing our customers' enquiries first hand and listening to valuable feedback from our customer service representatives (CSRs)
- Listening to customers who use a range of our services about their experiences (over 1000 people emailed),
- Working with some of the key services for our customers (waste, revenues and Benefits, housing and planning) to look at ways we can improve back office processes for the benefit of our customers,
- Making mystery calls to staff, CSU and payment lines,
- Reviewing complaints,
- Exploring forms of good practice.

After much dedicated time reviewing the above, the team created a recommendations report that was endorsed by Group Managers and the project board. Since this approval we have been busy trying to implement these improvements across the Council. Below is a summary of the key findings:

7.1. **Creation of a knowledge hub for Customer Service Unit (CSU) staff**: The service manuals that CSRs use are now electronic not paper based. All the service manuals were updated as these were out of date, so the revised copies are now stored on SharePoint. The CSRs will be using these manuals when advising customers so we can be sure that the information is relevant and current. Now,

these manuals, used every day to advise customers, are electronic. This means that they are more regularly updated and quicker for CSU staff to access. This new way of working also improves version control, as the documents cannot be amended without authorisation from specific personnel.

7.2. **Updated 'out of date' data on website:** There are currently thousands of pages on our website so due to the length of the project it meant that it was out of scope for the project team to refresh everything, but the new 'service information coordinator group' will be looking at these types of issues in the future. Nevertheless, high impact pages were refreshed to ensure the information was current. For example out of date legislation, inaccurate processes etc.

7.3. **Phone Scripts**: These were reviewed and amended to cut down the length and plain English was applied throughout. There is now a new process where the communications team will review any further changes to the phone scripts to ensure consistent terminology and structure.n

7.4. **Service Information Coordinators**: This is essentially the implementation of a continuous improvement group to meet monthly to update automated phone scripts, service manuals, web content (using web stats) and structure. This will be led by the web communications officer. The first one is scheduled for 30 October 2014. Many of the project team have agreed to take on this additional responsibility.

7.5. **Voicemail campaign:** This is to promote good practice and programme of regular audits. There was been user guides sent out, Chief Executive's voicemail message to all staff regarding usage and set up, CMT steer to all managers. We are in the process of reviewing full mail boxes and implementing a PC pop up voicemail reminder.

7.6. **Out of hours contact**: A section has been created on website home page so that customers know who to contact outside the Council's opening hours. http://www.dacorum.gov.uk/home/do-it-online/contact-us#outofhours

7.7. **Phone directory**: The starter process now includes setting temporary agency workers on the Netcall (dial 10).

7.8. **Automated email response**: The creation of a corporate automated email response for incoming emails from the website, which will give timescales and alternative methods of assisting customers with their query. Only 15% of email accounts on the website had an automated email response.   This will undoubtedly reduce the amount of calls enquiring about their email query.

7.9. **Additional payment phone lines**: Extra payment lines have been added as customers were often hearing an engaged tone due to the limited amount of payment phone lines installed. The project team discovered that only four payment lines were available for customers to use, so if these were all being used at the same time customer number 5 would hear an engaged sign and the call would end.

7.10.   **Corporate payments project:** This project will be looking at implementing online direct debits and Payment Kiosks in the reception area, which will link into the Council's channel shift strategy. Richard Baker (Group Manager – Financial Services) is the project lead.

7.11.   **On line forms:** The project team Identified the need for more critical on line forms. Two high priority on line forms have been developed – Garage applications form and Address Management form. Others to be implemented soon are: Large bin request application form, assisted bin collection application form and Tree preservation form. All current on line forms are being adapted to ensure they are mobile phone responsive. The website team are planning to re-visit all group managers to ensure priority on line forms are on their work plan.

7.12.   **Bin Collection days:** A facility is about to be launched that enables customers to search for their bin collection days by entering their postcode.

7.13.   **System Access:** The project team identified a process issue between CSU and Environmental services and by opening up the Bartec system (back office system) to the CSU it would save over 100 calls to back offices per week and subsequently allowing the customer to have the query answered quicker. This in turn would allow CSRs to spend more time with customers with more complex needs.

The results over the last six months have seen a great reduction in complaints; only two formal complaints were received during September regarding the telephony system and CSU. These have been investigated and action taken where necessary to improve the customer experience. This figure compares favourably with the nearly 100 formal complaints and 100's more adverse comments received earlier in the year. The improvements in the scripts and the changes made have also seen a decrease in average waiting times to be answered.

However, it is important to stress that there is lots of other good work that has contributed to these improvements around the Council and we still have a long way to go to improve the customer experience. A key focus for the Council over the next 12 months is to improve the website so that it is easy to navigate, has increased on line functionality and can be fully accessible via smart phones.

8. **Risk management**

8.1. Risk registers relating to the delivery aspect of the CSCG project are reviewed monthly by the Operational Board. An ongoing log of issues is also being maintained with action points to be agreed at the Board meetings. The following issues were logged at the July Operational Board meeting.

CSCG issues and actions as at September 2014

Issue	Action taken
IT support and SLA	Agreed in principle

CRM is live but interactions for staff will be longer until full integration is completed	CRM Project Manager working on the next system to be integrated as well as reviewing current integration plan for Phase 2
Avoidable contact presenting challenges in service delivery as customers are chasing progress or requesting clarity	Discussions at OLA meetings with Group Managers and with Customer Focus Group
Enhancements to Inform 360	SMS options available, need to ensure the Website is up to date with e-forms. Action with Customer Insight Officer

9. Conclusion

9.1. This report reflects a period of continued calm and where the service delivery has been maintained at improved levels.

9.2. The Customer Focus Group has made a number of recommendations that will improve customer experience.