

# Financial Monitoring Task Group

26<sup>th</sup> July 2016

Agenda item: Customer Contact Programme

Wards: All

## Subject:

Lead officer: Sophie Ellis, Assistant Director of Business Improvement

Lead member: Cllr Allison, Deputy Leader and Cabinet Member for Finance

Contact officer: Sophie Ellis, Assistant Director of Business Improvement

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## Recommendations:

A. That the Task Group discuss and comment on -the progress of the Customer Contact Programme.

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## 1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. This report outlines how the Customer Contact Programme is progressing delivery of anticipated financial benefits to the Council.

## 2 BACKGROUND

2.1. The Customer Contact programme is delivering the key technology and re-designed processes to support the Council's Customer Contact Strategy, aimed at meeting the changing needs of our customers for access to services, and in particular to services accessed via the internet. This strategy focuses on two key outcomes: firstly, to improve service users' experience of accessing council services, and secondly to reduce the cost of those services by encouraging people to self-serve, and by responding to as many customer enquiries as possible the first time that they are raised. This will reduce unnecessary effort for residents, and avoidable work for staff.

- 2.2. The scope of the programme includes a new website that increases the potential for customers to request and pay for services online; the ability for customers to have an 'account' that allows them to track their queries and interactions in a single place online, and a contact management solution that allows staff to manage and process queries and requests quickly and easily, all integrated with the relevant back office systems.
- 2.3. In March 2015 the council awarded a contract to General Dynamics IT Ltd (henceforth GDIT) to deliver this technology and support the associated changes in business process design.
- 2.4. Direct savings targets have deliberately not been attached to the programme itself; this is because the improvements that the programme offers (as set out below) will be translated into efficiencies by services across the council. It is therefore the case that the programme underpins a number of savings captured in the Medium Term Financial Strategy. These are reviewed within this paper to establish what has been achieved to date.

### **3 PROGRESS IN DELIVERING THE PROGRAMME**

- 3.1. The programme has experienced some delays. These are related chiefly to:
  - Unexpected technical challenges in creating connections to the council's existing systems and networks (related to third party telecom providers);
  - Underestimation in the original plans of the complexity and effort required to develop the Customer Relations Management (CRM) solution, as applied to the initial Pathfinder – Waste Management;
  - Difficulties experienced by the supplier (General Dynamics IT) in retaining sufficient high calibre staff in an area of high market demand.

The overall programme end date is approximately four months behind schedule, although some deliverables within this overall timescales are up to six months late. The council has deployed the mechanisms within the contract to alert GDIT to their concerns over these delays. These may involve reduced milestone payments, and claims for compensation for increased council staff costs. GDIT have responded positively but are still experiencing staffing and technical challenges.

### 3.2. What has been delivered?

#### The programme has so far delivered:

- Hosted hardware, infrastructure (servers, cables, firewalls etc.) and associated technology (connections to the council's existing systems and networks) to support the new systems;
- Configuration of the software itself to Merton's requirements;
- An IT system that contact centre staff will use to record and deal with customer enquiries online, in person, and over the telephone;
- A new transaction based beta website based on SharePoint Technology, launched on 5<sup>th</sup> July with the new online waste management service (Domestic, Bulky, Garden), designed to be used on smart phones and all customer devices;
- Updated content of the new 'beta' website;
- Re-designed processes and operating system for an on-line waste service, entirely driven from within the CRM system (Waste Pathfinder). Initial uptake has been very encouraging with 50% of transaction now taking place on line, demonstrating the local demand for a user-friendly on-line/front line service.

#### Work in Progress

- Web forms to act as the front end of the Highways service, integrating with its operating system (Confirm);
- Process re-design and development of a new Complaints Management, Freedom of Information and Member's Inquiry system (Pathfinder);
- Process re-design and development of a new Hall bookings and Leisure booking system (Pathfinder);
- Process re-design and development of an appointment and work process system with Planning, Property, Building and Development Control (Pathfinder);
- A customer account pulling together all resident and business interactions with the Council in a single place;
- Integration of existing Council portals (Council Tax, Parking, Libraries, Planning) into the Customer Account with a single password and a 'scrape' of useful information;

- Integration of a number of externally hosted Council websites.

### **Future developments**

- A potential extended programme of further Pathfinders for Concessionary Travel, Housing, Environmental Health, Registrars;
- Potential Pathfinders in the CSF and C&H Directorates;
- New portals within our main website that will replace existing external portals that currently satisfy statutory obligations, such as the supply of information regarding the local provision of social care.

## **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. The governance arrangements for the programme have ensured that services across the organisation are fully engaged in the development of the approach in general, and in the design of Pathfinders in particular.
- 4.2. Governance for the programme consists of a Programme Board chaired by Caroline Holland, Corporate Services Director (programme sponsor) and including representation from each of the departments. The programme also reports monthly to the Merton Improvement Board which draws its membership from across the organisation.
- 4.3. An engagement and communication plan has been developed. Service and customer groups are being engaged as part of the programme using a phased approach to ensure any necessary change is well planned communicated and embedded.
- 4.4. A key area for wider consultation is the development of the website and customer account. It was considered to be inadvisable to draw residents and customers into the initial design process, and that greater benefit would be derived from testing concepts once they have been developed. To begin with, therefore, the design process brought together a representative group of officers to develop the new website. External consultation can now begin following the launch of the new Beta site on 5th July 2016.

## **5 TIMETABLE**

- 5.1. At present the hosted IT infrastructure is in place, and a new beta website and on-line waste service was launched on 5<sup>th</sup> July. This will be followed by further Pathfinder services in a period up to October 2016. In parallel the Customer Account will create a single view for residents and businesses of their transactions with the Council, and will also consolidate other key existing council portals into its structure. This will be delivered after the Pathfinders and portal integration work in autumn 2016. This will see the end of this phase of the programme. However the council has an option of adding further Pathfinders whilst both the council and supplier teams are in place. In addition the service Target Operating Models are proposing further Pathfinders and Integration for Children, Schools and Families and Community and Housing. It is intended that the majority of these processes will be developed internally as the council will have gained experience in working with SharePoint and Microsoft Dynamics.

## **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. The Customer Contact Programme is important for the overarching transformation of the organisation as part of the Outstanding Council Programme. Funds have already been earmarked through allocated reserves to facilitate the programme. This planned one-off investment is expected to achieve ongoing revenue savings that will benefit the council each year.
- 6.2. The programme is key to the achievement of planned savings through self-service and channel shift and the aspirations set out in a number of service target operating models (TOMs) are dependent on the technology the programme will introduce.
- 6.3. The initial programme budget of £2.3m was approved by Cabinet on 12th July 2012. This element of the programme is currently slightly underspent, due to prudent resource planning, but may come under further pressure if the programme runs beyond November 2016. The wider programme also includes the roll-out of a new Electronic Document and Records Management system which is experiencing similar delays and potentially increased costs.
- 6.4. Any property implications are likely to come from the assessment of the provision of face-to-face services in specific locations across the borough, and in potential re-design of the reception at the Civic Centre to provide more support to on-line access for residents. It is expected that any such implications will be managed and aligned with any existing property rationalisation plans, e.g. the flexible working programme.

- 6.5. Appendix A shows the current MTFs savings that are most directly dependent upon the technical infrastructure that the programme will deliver and changing behaviours with the channel shift strategy. The majority of benefits will be delivered in part in 2016/17 and could be rolled forward into subsequent years. In addition the current enabled benefits only cover Corporate Services, and Environment and Regeneration. The Target Operating Models for Children's Schools and Families and Community and Housing have highlighted a number of new Pathfinders and integrations that will present further opportunities for financial benefits.
- 6.6. The Customer Contact programme board will continue to review the interdependency between proposed MTFs savings and the programme and monitor their delivery.

## **7. Legal and statutory implications**

The South London Legal Partnership has worked closely with the programme team in developing a suitable contract with the chosen supplier. They are also providing support to the current contract dispute process where the council are seeking compensation as a result of delays in implementation and advice regarding achievement of milestones linked to payments. There may be some impact on the provision of some statutory services, e.g. regulatory services, but this will be established and managed through the engagement of the relevant services and will depend on whether specific processes can feasibly be delivered through different channels and by different means.

## **8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

There are not expected to be any human rights issues from the programme. An Equalities Impact Assessment has been completed and is being updated at key points in the programme. Community and other key stakeholder groups will be engaged as part of the programme and any implications will be managed with the relevant officers in the Council.

## **9. CRIME AND DISORDER IMPLICATIONS**

There are not expected to be any crime and disorder implications.

**10. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

All risks, assumptions, issues and dependencies are being actively managed as part of the programme. There are not expected to be any Health and Safety implications.

**11. APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

A. Benefits Table

**12. Background Papers**

Channel Shift Strategy

**Medium Term Financial Strategy**

<b>Appendix A</b>							
		<b>2914/5</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Status</b>	<b>Comments</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
<b>Area:</b>	<b>Description of Saving</b>						
CS	CS17: Reduction in paper invoices through scanning and deletion of scanning role.		30			Achieved	
CS	CS35: Closure of cash office and resulting staff savings	30				Achieved	
CS	CS39: Implementation of Channel shift strategy and customer services review			30	30	16/7 saving to be delivered in 17/18	
CS	CS5: Review and challenge the procurement of Support and Maintenance and Licence Contracts			21		Achieved	
CS	CSD5: Increased external bookings at Chaucer Centre			40		On target	
CS	CSD7: Restructure Post and Print Section			40		On target	
CS	CSD13: Reduce Customer Access Points			30		Achieved	
CS	CSD14: Further automation to reduce need for Revenues Officer				30	On target	
CS	CSD36: Business Systems restructure following rationalisation of IT systems Phase 1		10			Achieved	
CS	CSD39: Business Systems restructure following rationalisation of IT Systems Phase 2			50		On target	

CS	CSD43: Shared service for FoI and Information Governance			40	40	Pending	Any savings subject to reduction in handling time for Complaints/FoIs which will need to be tested after online solution is in place. This is therefore under review.
ER	E&R 3 Improve on-line Booking functions				16	Not yet due	
ER	E&R 13 Back office re-organisation derived from channel shift from phone and Face to face (and part Phase C)				70	Not yet due	
ER	EN14 Mobile technology including GPS and in cab monitors.			100		£70k anticipated to be delivered in-year.	Savings in the back office are not entirely associated with 'in-cab technology' but delays in programme delivery have contributed to a £30k shortfall – to be met through alternative savings.
ER	E&R34: Alternative delivery model of Highways Inspection Team				30	On target	Benefits derived from upgraded Confirm system that enables using mobile devices, in association with greater on-line volumes through the website and CRM.

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