Committee: Overview and Scrutiny Commission

Date: 16th July 2013

Agenda item: 7

Wards: All

Subject: Customer Contact Programme Update

Lead officer: Sophie Ellis, Assistant Director of Business Improvement

Lead member: Cllr Betteridge, Deputy Leader and Cabinet Member for Performance and Implementation

Forward Plan reference number: N/A

Contact officer: Evette Crichlow (Programme Manager, Customer Contact)

Recommendations:

A. Commission to note and comment on progress to delivering the Customer Contact programme.

1	PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1.   The purpose of this report is to provide the Commission with an update on the Customer Contact programme and to highlight, for information, the key next steps.

1.2.   The programme last reported to the Commission on 28 February 2013 and the Council's Customer Contact Strategy was approved by Cabinet on 11th March 2013. This can be found in appendix A for ease of reference.

1.3.   The Strategy provides the context for customers, other stakeholders and services to be engaged in the Customer Contact Programme which will deliver the strategy and ensure customer needs are aligned with business priorities across all access channels.

1.4.   The Programme is now in the Analysis and Design phase. The outputs from this phase will provide the basis for the specification of business requirements for the procurement of key technology that will enable the customer transformation set out in the strategy. It is expected that the procured technology solution will support all access channels and will enable the development of a 'personalised view of customer data'.

1.5.   A programme plan and brief for the first phase have been prepared and the outputs of the Analysis and Design phase are expected to be as follows:

(i)   Channel & Service Analysis

–   Service engagement and prioritisation
–   Identification and implementation of 'quick wins' and rapid improvements
–   Demand and Volume data analysis
–   Identification of avoidable contacts and opportunities for reduction
–   Pinpoint Savings for next financial year

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- Reusable service engagement process

(ii) Procured technology

- Integration of systems to deliver a personalised view of customer data
- Improved access to information for both staff and citizens
- Transactional website/portal
- Document management

(iii) Customer Insight Analysis

- Customer segmentation analysis
- Service demand analysis
- Location and geographical analysis
- Customer experience and journey mapping

1.6.   The remainder of this report sets out the activities that are planned and underway to give a sense of the progress that is being made.

2   **ACTIVITY TO DATE**

2.1.   The **Customer Contact Strategy** was approved by Cabinet on 12th July 2012 and provides the context for customers, other stakeholders and services to be engaged in the Customer Contact Programme.

2.2.   The **Programme Manager** (fixed term 2 year appointment) took up the post in April 2013. The position had previously been covered by an interim appointment who was tasked with developing the Customer Contact Strategy and specification of requirements. Both of these deliverables have been achieved.

2.3.   A **market engagement** event was held on 6th June 2013 with a view to understanding the current market provision for enabling technologies and shaping a procurement exercise going forward.

2.4.   A visit has taken place to Hammersmith and Fulham to learn from their customer transformation journey which started late 2001 and took an incremental approach, resulting in a move to customer self-service, migration of back office services to customer contact centre and a single customer view, all of which support the approach planned by Merton. Visits have also being arranged to Croydon and Bexley to ensure we benefit from the **best practice** of other local authorities.

2.5.   Each service in the Council is working on having a **Target Operating Model** (TOM) that clearly sets out its vision for the future – how it will continue making the transition towards becoming not just a good service, but a great service – and a delivery plan that sets out a route map for getting there. We are working to ensure that the Customer Contact programme supports and enables the delivery of the agreed transformation.

2.6.   The following service areas have identified the Customer Contact Programme as an enabler in their TOM delivery plans. Subject to validation

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and approval, these service areas will be engaged and prioritised as part of the programme to ensure they are supported to deliver their target operating models.

Programme/ Project	Workstream	Lead	Start date	End date
Community and Housing				
Housing				
Housing Options Self-Service tool	Scope out, develop and implement an on-line Housing Options self-service tool (subject to implementation costs)	Steve Langley	01 Apr 2013	31 Mar 2014
Housing Register Pre-Registration self-assessment tool	Scope out, develop and implement an on-line Housing Register Pre-Registration Self Assessment tool	Steve Langley	01 Apr 2013	31 Mar 2014
Housing Register 1:1 application process	Implement a new face to face interview process for applicants wishing to join the Housing Register	Steve Langley	01 May 2013	31 Mar 2014
Libraries				
Assisted digital support	Working with key partners both within the Council and externally, including the CAB, develop a comprehensive information and support service in keeping with the e-Gov agenda	Anthony Hopkins/ Lisa Mustoe	01 Apr 2013	01 Apr 2015
ton Adult Education				
Increased automated systems	Introduce electronic registers and increased of Moodle the online portal for tutors and students	Sidra Hill	01 Jun 2013	01 Dec 2013
Children schools and families				
Customer Access School Admissions	Admissions service identified for specific customer contact initiatives - minimising unavoidable contact via work	Paul Ballatt	01 Apr 2011	01 Mar 2014

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	with Merton Link & increasing on-line applications. Have significantly shifted to e admissions already (above London average rates) but will continue to maximise electronic channels & explore any synergies through the programme			
Environment and Regeneration				
Highways & Traffic				
Self Service	Switch to self-service; create a dedicated online customer portal for customers to submit highway related license applications online including payment, and to view progress on works on site.	Mario Lecordier	01 Apr 2013	01 Apr 2014
GIS	Introduce GIS online reporting so customers can report faults on services, all faults will report straight into a back office system that can be sent directly to the term contractors to fix.	Mario Lecordier	01 Apr 2013	01 Apr 2014
Environmental Health, Trading Standards & Licensing				
Deliver shared service option	Create a shared regulatory service to reduce back office operational costs and transform the way customers access the service, including the introduction of flexible/mobile working.	Ian Murrell	01 Apr 2013	31 Mar 2015
Development Control & Building Control				
Self service	Utilise the internet, website, and online platforms to move towards more self-service and reduce time spent on avoidable contact. Introduce e-forms for building control applications and enforcement complaints to reduce back office costs.	Neil Miligan	01 Apr 2013	31 Mar 2016
Enforcement shared	Explore the option of enforcement shared services	Neil Miligan	01 Jun	31 Mar

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services	to reduce costs.		2013	2015
Parks & Green spaces				
Channel Shift/Mango Booking System	Channel shift to online by increasing customer awareness/usage of the mango (booking live system) this will enable back office costs to be reduced or alternatively resources focused on generating additional income/selling existing and new products, including introducing bundling. Establish Parks Facebook/Twitter accounts to better communicate with residents and use as a benchmarking platform in responses to residents' complaints.	Doug Napier	On-going	On-going
Parking				
Channel Shift to CRM/Online	The channel shift to online will reduce the number of avoidable calls coming through to the back office via a fully online PCN system which will enable customers to view the contravention online via photos/film when they type in the PCN number. Implementation of CRM system will further help reduce avoidable contact calls that come through to the parking office.	Paul Walshe	01 Apr 2014	01 Apr 2015
Mobile Phone Payments	Implement Mobile phone payments for all parking related activities, this will enable the council to start phasing out some cash collections.	Paul Walshe	01 Jan 2013	31 Mar 2014
Explore Sub-regional Shared service	Explore the possibility of a shared back office parking function with other South London boroughs to identify cost savings and a more	Paul Walshe	01 Jan 2013	31 Dec 2013

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	efficient service.			
Leisure & Culture				
Channel Shift/Mango Booking System	Channel shift to online by Increasing customer awareness/usage of the mango (booking live system) this will enable back office costs to be reduced or alternatively resources focused on generating additional income/selling existing and new products, including introducing bundling. Establish Parks Facebook/Twitter accounts to better communicate with residents and use as a benchmarking platform in responses to residents' complaints. Roll out and sell the mango booking system to Private schools and organisations as an effective end to end booking platform and take a commission per transaction.	Christine Parsloe	01 Jun 2012	On-going
Cemeteries on line	Move the cemeteries service online via the Mango system to stop paper processes and start to transform and change current behaviour of undertakers that frequently utilise the council service	Christine Parsloe	TBC	TBC
Property Services				
IPF Mapping system	Fully implement the IPF Mapping system so all internal council departments and external customers can easily access maps around council land ownership. Current mapping system is through use of old ordnance survey maps.	Howard Joy	01 Jan 2012	31 Mar 2016

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Programme Governance and Structure

2.7.   The council's Customer Contact Strategy was approved by Cabinet on 11th March 2013 and clarified the vision and approach for the programme as well as our customer standards.

2.8.   Governance for the programme has been refreshed and now consists of a **Programme Board** (management and control focus) chaired by Caroline Holland, Corporate Services Director (programme sponsor), a **Programme Steering Group** (design and delivery focus) chaired by Sophie Ellis, AD Business Improvement and Five **Working Groups** (Communication, Business Analysis, Customers, Procurement and ICT) led by Steering group members. The scope and terms of reference for the Board and all groups have been agreed.

2.9.   Customer Contact will be a phased programme over three years with the first phased focused on the detailed Analysis and Design. The five working groups are tasked with leading each of the following workstreams in this initial phase.

Communications and change

2.10.   The approved Customer Contact Strategy clarified the vision and approach to channel management and migration as well as our customer standards.

2.11.   Our immediate steps will be to ensure that the strategy and standards are communicated internally and that all staff across the organisation are regularly informed and engaged through the design and analysis phase, so that:

– Staff understand the vision of the customer contact programme
– Staff feel involved in the development of the customer contact programme
– Staff feel the decision making process is transparent and open
– Service delivery levels continue with minimum disruption during the developmental period.

2.12.   The Customer Contact Programme is essentially a cultural change programme, which will be enabled by technology, and we understand that this change cannot be managed separately from the transformation of the business, where the change is embedded.

2.13.   Managing this change will involve assessing who is impacted, what the impact is and when it will occur and this will form the basis of our communications plan.

2.14.   Work is underway to identify the processes and systems that will be affected by changing the ways in which our customers can contact the council and we have identified those internal and external to the organisation that will be impacted.

2.15.   We plan to establish all of the activities needed to persuade, motivate and engage those impacted by the change to ensure that as many activities as

possible can be foreseen and ownership assigned, with agreed dates for completion.

2.16. Below sets out some of the activities required as part of the design and analysis phase of the programme to address key critical success factors in managing change:

Critical success factors	Change management activities - Design and Analysis phase	Timescales
Ready		
The new organisation, roles and / or structure are designed to support the change	– Align communication and implementation plan with the Flexible working and mobile working activities – Engage with HR on any organisational design work	June - September 2013
Change impacts fully understood and actions are in-place to ensure readiness	– Complete customer-adaptive survey to determine the extent to which the organisation has the ability to cope with, sense, and respond at speed, to accelerating change in customer access – Change readiness assessment	June 2013
Future business processes are defined, designed & documented	– Review departmental TOMs and work with services to enable delivery of their plans – Identify dependencies and impacts on other areas of the organisation or service delivery areas – Process mapping of 'as is' and 'to be' processes, by channel and by service.	June – August 2013
Able		
New culture & behaviours understood & actions in place to move towards them	– Publicise new Customer Standards – Work with HR and Learning and Development to clarify the required changes to culture & behaviours	July 2013
Staff have the necessary skills to deliver the new ways of working	– Engage with Learning & Development to identify skills requirement	September 2013
Performance	– Identify high-level	August/ September 2013

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framework is in place to support new ways of working	performance measures and baseline; as the basis for the new performance framework	
Willing		
Leaders take ownership in driving change	– Weekly sponsor meetings – Monthly programme Boards – Regularly attend CMT and DMT – Cabinet member briefings	On-going
People are engaged and informed via relevant communication	**Internal - Staff** – Technology Showcase – Annual Staff Conference – Insight e-newsletter – Staff & Managers bulletins – Chief Executive briefings – Intranet front page - News – Merton 2015 blog – Corporate posters **External - Customers** – My Merton magazine – Merton Council website – Local press releases – Leader's press briefing – JC Decaux advertising	– 10 July 2013 – 23/24 Oct & 5/6 Nov 2013 – 6-8 weekly – Weekly – Monthly – Quarterly
Rationale for the change is established and understood	– Publicise Customer Contact Strategy – Communicate quick wins and opportunities for rapid improvements – Identify change agents, including departmental and service champions at all levels	July 2013

2.17.   As the programme progresses and is informed by the outputs of the first phase, additional activities will be identified and planned in order to drive best practice in the implementation, delivery and sustainability of the cultural change required.

Business Analysis

2.18.   Engagement with staff and services is underway with the cross cutting analysis of existing contact channels (face to face, telephone, post, online) and services.

2.19.   This analysis has built on the work completed as part of the options appraisal, as well as a number of previous pieces of work including the Deloitte review of customer services, the scrutiny review of customer

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access, and work undertaken in relation to Target Operating Models (TOM's).

2.20. Two Business Improvement Advisors and the Web Manager are currently documenting the 'as is' position in terms of processes, demand and volume data and opportunities for improvements; as well as 'to be' analysis for recommendations – including process re-engineering where required.

2.21. We understand that identifying some early quick wins or rapid improvements will be essential to helping us engage people early and demonstrate the potential benefits of the programme.

2.22. This analysis will also inform the service engagement and prioritisation that will be required for future phases of the programme, and is likely to be based on:

  (i) Quick financial benefits - Services whose cashable savings can be enabled by the programme

  (ii) Rapid improvements - Services that can make immediate changes to improve staff and/ or customer experience and satisfaction

  (iii) Readiness of the services to engage - Appetite of management and staff to make changes in their service area and adopt the required behaviours

Customers

2.23. We want to ensure that we looking at customer interaction from both sides. So, as well as undertaking analysis from the council's perspective of what channels are currently used and where the scope for improvement and change exists, we need to look at customer interaction from the customer perspective to understand more about our customers' behaviours and motivations in their interactions.

2.24. We have engaged the consultancy services of Red Quadrant to work with Merton to deliver customer insight analysis, which will inform key actions, design decisions and potential policy implications for the Customer Contact programme and wider Council.

2.25. This contract will begin in July 2013 and will build on the existing ACORN segmentation undertaken for the options appraisal, but will be expanded to include the level of analysis required to design a transformation programme. The objective will be to provide a detailed understanding of the three way relationship between Merton's customers, channels and services. In order to successfully implement a channel shift strategy we will need to understand:

  – How our customers expect and desire to access services?

  – Which channels are appropriate to our customers?

  – Which services and combination of services our customers use?

  – Which channels are appropriate given the nature of our services?

2.26. The methodology used will include the following:

(i) Customer segmentation analysis to understand who Merton's customers are, including socio-economic analysis and recommendations using a recognised segmentation dataset

(ii) Service demand analysis to understand the reasons Merton's customers contact the council and their motivation and purpose

(iii) Location and geographical analysis of where Merton's customers live and where they contact the council

(iv) Customer experience and journey mapping analysis and recommendations, identifying which channels Merton's customers use to contact the council, which services customers need and how they can be usefully clustered together

(v) Customer engagement in the form of questionnaires and/or focus groups in order to validate the analysis and recommendations

2.27. This work will also include dashboard reporting and the development of a framework to allow us to measure our performance on the basis of customers' experience and to review and improve service delivery and ensure that customer needs have been identified and met.

Procurement

2.28. In order to enable the delivery the vision set out in the Customer Contact Strategy we intend to procure a system(s) that will provide:

– Integration of systems to deliver a personalised view of customer data
– Improved access to information for both staff and citizens
– Transactional website/portal
– Document management

2.29. Both the internal and external analysis identified above will inform the business requirements for the enabling technology, related services and on-going support. This will increase the likelihood that the system will comprehensively meet the needs of the organisation and enable the delivery of the Customer Contact Strategy

2.30. 45 companies attended the market engagement event held on 6th June 2013 which indicated a mature market for what we propose to deliver. Based on information provided, 15 companies responded to a feedback questionnaire in support of the Council's vision for Customer Contact and the Competitive Dialogue approach.

2.31. A Delivery Manager has been recruited to lead the procurement process and this contract is anticipated to last 12 months.

2.32. The next step will be to issue an OJEU notice which is expected to be published in July/ August 2013.

ICT

2.33.   We are in the process of developing an understanding of the council's requirements in relation to supporting and enabling technology (web, electronic document management, customer portal/ personalised view of data), although as part of the dialogue process, vendors and suppliers will be engaged to establish the best value, flexible and resilient solutions that meet our needs.

3   ALTERNATIVE OPTIONS

3.1.   The design of the programme is taking into account the options appraisal that was undertaken throughout 2012.

3.2.   A visit has taken place to Hammersmith and Fulham to learn from their customer transformation journey. Further visits have also being arranged to Croydon and Bexley to ensure we benefit from the best practice of other local authorities, as well as developing a network of organisations undergoing customer transformation.

3.3.   Feasible and cost-effective alternatives for the technology enabler will be explored as part of the procurement process.

4   CONSULTATION UNDERTAKEN OR PROPOSED

4.1.   The governance arrangements for the programme are designed to ensure that businesses across the organisation are fully engaged in the development of the approach.

4.2.   It is expected that specific customer groups will be engaged as part of the programme. It may then be necessary to undertake formal consultation to reflect specific changes to how services are delivered via specific access channels. The programme will provide regular updates to the Commission in this regard.

The programme will also provide a monthly update on all workstreams via the intranet.

5   TIMETABLE

5.1.   The Customer Contact Programme is a three year programme and the activities, milestones and deliverables of the first phase have been planned.

5.2.   The outputs of the analysis and design phase, including the procurement process, will inform the timescales for the rest of the programme.

6   FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1.   An initial programme budget of £2.3m has been approved (Cabinet 12th July 2012), along with up to £1.2m for Electronic Document and Records Management (Cabinet 18th February 2013). The cost implications of this will be addressed as part of the programme planning activity.

6.2. The programme will continue to work with services to assess potential savings from self-service and channel shift. The business case for the programme – in relation to benefits and savings – will be updated once the outcome of the procurement exercise is known.

6.3. Any property implications are likely to come from the assessment of the provision of face-to-face services in specific locations across the borough. It is expected that any such implications will be managed and aligned with any existing property rationalisation plans, e.g. the flexible working programme.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. Legal input will be required as part of the procurement exercise and the establishment of suitable contracts with vendors and service providers.

7.2. The 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

8.1. There are not expected to be any human rights issues from the programme.

8.2. Equality Impact Assessments will be undertaken as required for specific service changes.

8.3. Community and other key stakeholder groups will be engaged as part of the programme and any implications will be managed will the relevant officers in the Council.

9 CRIME AND DISORDER IMPLICATIONS

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

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. All risks, assumptions, issues and dependencies will be actively managed as part of the programme.

10.2. There are not expected to be any H&S implications.

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

A. Customer Contact Strategy

12 BACKGROUND PAPERS

12.1. Previous Cabinet Report (for information only; not provided)

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12.2. Previous OSC report (for information only; not provided)

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