

REPORT TO Scrutiny Resources, Executive, Council

Date of Meeting: 19 November, 2014, 9 December 2014, 16 December, 2014

Report of: Bindu Arjoon, Assistant Director, Customer Access

Title: Business Case for the Council's Channel Shift Programme

Is this a Key Decision? No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function? Council

1. What is the report about?

This report summarises the Council's Channel Shift Approach, outlined in the Business Case attached to this Report. Officers are requesting the approval of funding on an invest- to-save basis, seeking to improve our services to customers whether they approach the Council face to face, by telephone or via internet-enabled provision. The Report identifies the cost benefit to the Council of providing high quality telephone and on-line services for our high transaction services, reserving our face to face contact for those customers with more complex needs.

2. Recommendations:

- i. That Members endorse the Council's Channel Shift Programme
- ii. That Council approves the identified Capital and Revenue funding for the Programme, noting the predicted savings to be subsequently accrued.

3. Reasons for the recommendation:

There are services across the Council which have begun to automate processes and to encourage customers to access services online. However, developing a corporate approach to Customer Access issues and specifically Channel Shift, will allow the Council to systematically identify opportunities for improvement across services. The bulk of the funding being sought is to procure a Customer Portal which will, bring together different services used by individual customers into one place. Officers have developed a programme of which services will be re-designed and moved to on-line access over the six- year life of the Business Case.

The business case also seeks to develop the introduction of a digital solution for answering calls. A voice activated directory would enable calls to be answered quickly and consistently and would allow the organisation to have one 'golden' number for all callers.

4. What are the resource implications including non financial resources.

- i. Extracted from the attached Business Case, at page 18, the funding being sought over six years for the customer portal is:

Capital Funding	£280,000
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Revenue Funding to include annual borrowing costs, maintenance, licensing and support and staffing costs and marketing costs £1,008,040

The **net** savings over the six year period is anticipated to be: **£852, 509**

Extracted from the attached Business Case, at page 19, the funding being sought over five years for the voice activated directory is:

Capital funding £44,800

Revenue Funding for service and support of system and to include marketing costs £63,800

The **net** savings over the 6 year period is anticipated to be: **£139,267**

Total net savings over the 6 year period: £991,776

- ii. Staff from the service areas where there are opportunities for developing alternative channels for delivery will be involved in the work to redesign and optimise the services prior to channel shift.
- iii. Should Council agree to the requested funding, Executive will be asked to consider at a later date, the creation of two posts to implement the Business Case and oversee the Council's other work to improve and maximise efficiency in the Council's Customer Access work.

5. Section 151 Officer comments:

The Business Case has been reviewed and its production supported by the Customer Access accountant. If approved, the relevant costs and savings will be fed into the Council's Medium Term Financial Plan. The savings identified will be removed from service budgets as per the year they are projected to be made.

6. What are the legal aspects?

There will be a procurement process to source the Customer Portal which Strata will support.

7. Monitoring Officer's comments:

The Monitoring Officer has no issue with the content of this report provided that a full procurement process is followed in accordance with the Councils financial regulations and European Procurement Regulations.

8. Report details:

- i. There are a range of channels available to customers. Those available through electronic means have increased in both availability and popularity as customer behaviour and expectations change. Customers can access services by:
 - visiting the council's customer service centre
 - visiting officers from individual departments
 - telephoning the switchboard
 - telephoning individual officers
 - using online self service
 - using automated telephone systems
 - accessing the council's web site
 - sending e-mails
 - sending text messages
 - sending letters
 - accessing social media channels such as Facebook and Twitter
- ii. Many commercial organisations and even some local authorities have begun to accelerate the removal of face to face and even telephone contact. However, this Council's approach aims to respond to an understanding of the needs of our customers. The intention is to firstly improve our existing channels, continue to work to understand the complexity and volume of transactions for each service and build on our Systems Thinking learning to identify those customers whose needs are such that we need to gain a full understanding of their circumstances. We also need to build in the flexibility to respond to changes in customers' needs and behaviour.
- iii. The Society of Information Technology Management (SOCITM) estimates that on average, a face-to-face enquiry costs £7.40, a telephone enquiry £2.90, and a web enquiry around £0.32. In the face of the significant financial challenge facing the Council, officers are working to find more cost effective ways of delivering services.
- iv. The first stage in this process is to support service areas in looking at their processes, redesigning where necessary in order to ensure that when these processes are moved online, they are easy to use for customers. This work will be facilitated initially by the temporary Customer Access Development Officer and Business Process Improvement Officer. Our aim to encourage self service will not be successful if customers have an unsatisfactory experience as they are likely revert to traditional methods of contact.
- v. The role of front line staff is crucial to promoting available channels, including providing support to those customers who find it challenging to transact on line. It is therefore imperative to work directly with those colleagues to ensure that they understand the Council's aim and their role in successful delivery.
- vi. A communication strategy is being developed which will have both internal and external elements. As outlined below, service areas including front line staff are critical in the delivery of a successful Customer Access Programme. We therefore intend to make all staff aware of our aims as well as work directly with those service areas where there will be the greatest impact in terms of the services we will move online first. We will also work to develop a strategy for

increasing customer awareness of our emerging channel offer as well as highlighting the benefits of using these methods.

vii. Whilst there are strong incentives for migration to online services in terms of customer demand and efficiency, there are also challenges with this approach. Officers intend to work with customers, front line staff and the voluntary and community sector to identify and support customers who are not able to transact on line.

viii. Measuring Success in our Channel Strategy. It is important to be able to monitor and measure the success of the approach. Measures that will be used include:

- The successful transfer of the first 3 services online within 6 months of implementing a new Customer Portal.
- Measuring take up of alternative channels in terms of reduced telephone calls and visits to the Customer Service Centre for the services being offered online.
- Measurement of people using the portal to self serve, this number should increase month on month as more customers take up the service
- Customer Satisfaction - rates of satisfaction with the web services
- Reduction in avoidable contact by providing better information at appropriate points of the customer journey as measured by Google analytics and customer service figures
- Successful implementation of the voice-activated telephone directory will be measured by the number of calls successfully transferred without an intervention
- Reduction in the number of abandoned calls
- The reduction in resources as a result of a reduction in face to face and telephone transactions that require staff input.

ix. Work with Other Councils

The Devon Local Government Steering Group of Chief Executives has expressed an interest in relevant officers across the Council sharing experience of past and current Channel Shift work. An initial meeting has taken place to identify key areas where information might be shared amongst the Group.

City Council Officers will also be working to identify possible areas of joint work in our Channel Shift programme with East Devon and Teignbridge Councils. The development of Strata should help to facilitate this.

9. How does the decision contribute to the Council's Corporate Plan?

Enhancing the way that customers access our services is a key action in the Corporate Plan as is finding more cost effective ways of delivering our services.

10. What risks are there and how can they be reduced?

- i. Lack of engagement from individual services. The Business Case has been endorsed by the Council's Strategic Management Team and the implications of the Business Case are understood. The Leader of the Council as well as the two relevant Portfolio Holders, the Deputy Chief Executive and Assistant Director

Customer Access constitute the Programme Board to oversee the development and implementation of the Channel Shift Programme.

- ii. That front line staff do not engage in the programme and therefore do not promote alternative channel to customers. As referred to earlier in this Report, a Communication Plan is being developed for internal and external use and Assistant Directors with managers to ensure staff are kept informed and involved as appropriate.
- iii. Exclusion of customers unable to access services online. Focused work will be done to identify those at risk of exclusion and mitigating action planned and introduced.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

i) Potential Negative impacts on customers and staff

- Evidence shows that the older age group of 65+ do not use the internet as much as other younger groups and so may be disadvantaged by not having digital skills or access to the internet at home which is a barrier to using online services. Help will be available to encourage use of the public access computers in the Customer Service Centre where customers will be shown how to access services and supported in their use with the aim of increasing knowledge, independence and self reliance although offering help if required.
- There will be other vulnerable groups who will not be able to use the online services at all, for example those who may have learning difficulties. There will still be the option for them to come in to speak to an Advisor to access the service that they require.
- The impact on staff will be that as more people use the online service there will be a corresponding reduction in the staff resources for those areas, and both front and back office staff will be affected. The reduction will happen over 6 years as outlined in the full business case. However, front and back office staff in the areas where some processes are transferred online, will be supported to change their working practices.

ii) Potential Positive impacts on customers and staff

- There will be a positive impact for people who are restricted from accessing face to face services or telephone services by disabilities or caring responsibilities as they will be able to use online services from home.
- There will be a positive impact on the environment in terms of a reduction in travel to access services at the Civic Centre.

- People will be able to use some of our services at any time of day and on any day of the week; they will not be restricted to office hours.
- Customers currently cannot easily use their smart phones or tablets to access Council services but with this new technology they will be able to engage with services using their devices.
- Pressure on staff resources will ease if the number of face to face customers and telephone calls reduces as people use the online services.
- Staff will be freed up from many of the less complex and more routine enquiries that customers ask and will spend more time on interesting and complex enquiries so jobs should be much more satisfying which will increase motivation.

12. Are there any other options?

- i. Section Six of the attached Business Case identifies options for delivering the Customer Portal.
- ii. In terms of the Channel Shift Programme itself, there is an option of continuing the current piecemeal approach to our service offer across different channels. However, with increasing levels of demand for services contrasted with diminishing levels of resources, officers advise that the status quo is not a viable option for the council if we are to protect front line services and deliver on customers' expectations with the resources that we have available.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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