

Business Case for Customer Access Project

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<p>Business Case Customer Access Project</p>	
<p>Project Name: Customer Contact Self Service Platform</p>	<p>Project Sponsor: Bindu Arjoon</p>
<p>Project Manager: Lyn Hicks</p>	<p>Programme Board: Channel Shift Programme Board</p>

1.0. Executive Summary

1.1. Exeter City Council is committed to provide excellent services and value for money to the taxpayer. The channels through which public services are delivered and by which the public has contact with the authority, (be that via telephone, online, in person, or via other means), are a critical part of public service provision, and there is an ongoing impetus for them to be managed effectively and efficiently.

As part of the implementation of the Council's 'invest to save' initiative, the vision for Customer Access is to provide a high quality, cost effective service to Exeter's residents and customers via a new, up to date, online experience. It will be reliable, convenient and easy to use, so that this becomes the customers' channel of choice when doing business with the Council.

A key feature of our channel shift programme will be to deliver an online customer portal which enables all customers to register for a personal account. The registration process will authenticate the customers' details against existing Council records. Once registered customers will be able to access real time information specific to them, make payments, report and request services and track progress 24/7. The portal will be enabled so that it can be used on any device such as a smart-phone or tablet as well as a desk top PC.

The 'My Account' initiative was borne out a business need to automate the authentication of customers and provide a coherent digital offering to them, allowing transactional services to be provided online in a joined up way, driving adoption of digital services and allowing end-to-end integration to deliver efficiencies. It will deliver a single point of access, coordination across platforms or portals and access for customer to view their online activity; all of which drives up confidence in digital and supports their retention online as they will feel confident in using our digital services.

This work would have been started three years ago but the organisation was then committed Systems Review work which was important in terms of making the organisational processes lean and fit for purpose. This has delayed the implementation of the channel shift agenda and we have fallen behind some other authorities.

As part of a review of the whole customer experience we will also look at the most efficient and cost effective way of dealing with telephone calls to the Council. Currently the corporate switchboard facility is staffed by either customer service officers or by agency staff. In this business case consideration is given to a digital solution for dealing with telephone calls. This would be a Voice Activated Directory which would enable calls to be

answered quickly and efficiently. This would cut the costs of a member of staff and would enable the Council to have one 'golden' number for all callers.

Currently the Council is facing an unprecedented reduction in finance and the organisation is committed to reviewing what services it can continue to offer and how it can maintain quality services in the face of these reducing resources. One way that this can be achieved is by encouraging customers to use a more cost effective channel to transact with us and to find out information by enabling customers to 'channel shift'. If this can be done, the Council can make savings in transaction costs by reducing staff but will still maintain a high level of service to customers. Channel shift is about offering high quality frontline services that customers want to use and reducing costs by integration into back office systems so that some transactions can be completed automatically without staff intervention.

If implemented efficiently, channel shift will future proof the Council against the unavoidable reduction in staff. It will ensure that services are available online and customers will be able to transact with the Council without having to telephone or visit, which means that they will be able to do so on any day and at any time. If we offer an excellent website and self service offering to customers this will reduce failure demand and avoidable contact, for example chasing progress. There are considerable savings to be made in telephone calls and face to face visits by making information and transactions available to customers when and where they want to use them.

Investment will be required on an 'invest to save' basis but savings will only be made when staff vacancies are not filled or redundancies take place and there will be costs associated with making staff redundant. Each Assistant Director will have to take a share of these staff reductions depending on what services are transferred and when this happens. The indicative reductions are detailed in Appendix a. - Table 4 however the schedule may be subject to change to reflect prevailing conditions of service. This channel shift work can be used to underpin staff reductions already identified for 2015 and onwards by enabling frontline services to be delivered via the web site and to release back office staff by automating processes.

The timetable to put services online and the subsequent requirement to reduce staff are based on data collected from the services which included volumes and contact channels. The complexity of enquiries will also be a factor in deciding what to put online. Some of the revenue costs of this solution will be offset by savings related to relinquishing existing technology systems which would no longer be required as the functions would be replaced by the proposed solution.

2.0. Background to the project – Key Drivers

2.1. Central Government Initiatives

In 2010, Martha Lane-Fox produced a report to central government calling for a channel shift that would see services provided digitally 'by default'. The report argued for radical improvements to Government internet services to provide higher quality and more convenient 24/7 services to customers. In her report she argued that moving service delivery to digital channels could deliver better services for users and enable substantial savings. The intention was to take advantage of new technology that would streamline services, enable delivery of more cost effective services and achieve an excellent customer interface. Frances Maude, Minister for the Cabinet Office said, "The shift towards online services has the power to transform the relationship between government and individuals. ...quality online services can be the default solution... Not only are the services convenient and cheaper, but they can be better and more personalised."

The Government Digital Service is leading digital transformation of Central Government. It was established in response to Martha Lane-Fox's report and is intended to ensure that the Government offers world class digital products that meet people's needs. The Government Digital Strategy committed the government to ensuring that all new or redesigned services meet these high standards by April 2014. Their aim is to make digital services and information simpler, clearer and faster and to put users' needs before the needs of government.

The three core areas of their work are: to transform high volume exemplars into digital services, build a consolidated GOV.UK website to bring government services together in one place, and change the way that government procures services.

2.2. Key Actions from the Council's Corporate Plan

Key actions that the Council has committed to taking over the next couple of years to fulfil its purposes:

- Explore the opportunities offered by social media and mobile technology to engage more residents and provide timely information
- Through the systems thinking reviews, ensure residents are receiving the information they require in the most efficient ways
- Enhance and promote the use of the council's website for accessing information and services online
- Improve the way we deal with visitors to our customer service centre who have financial and housing problems so that they can receive timely and cost effective advice.

2.3. Current financial challenges

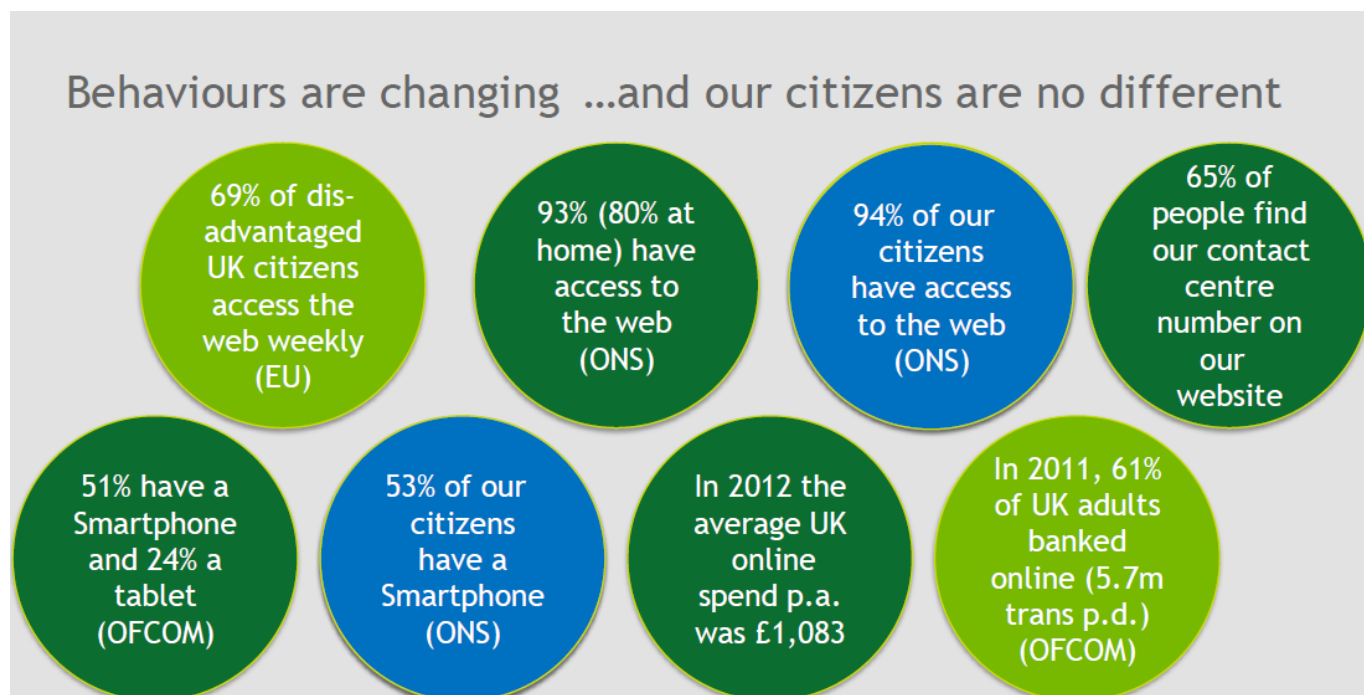
The challenge for the Council in reaching these and other objectives are the reductions in the Government grant which has been reduced by around 23%. The Council faces a projected budget deficit of £4m by the end of 2016/17.

An efficient and effective online offering would go some way to helping to reduce costs and will free up experienced staff to deal with more complex enquiries. Straightforward services could be delivered without staff intervention meaning that staff costs could be rationalised allowing a reduction in 'frontline' and 'back office' jobs.

Exeter City Council has already made progress in achieving limited online delivery of some services. Ground breaking work has been done to digitalise missed bin and collection date enquiries which are now on the website and these pull information directly from and to the back office IT system to answer the enquiry, without intervention from an intermediary staff member. Customers can register for a personal account to find out the balance of their Council Tax account and to make changes when they move, or to sign up for e-billing; however the functionality of this customer portal is limited by the supplier and can only deliver services that have been developed by them.

There are e-forms on the Council website which customers can use to report issues like litter, graffiti, noise complaints, abandoned vehicles etc. There are also interactive forms which can be used to make applications such as Housing Benefit. All of these involve a member of staff picking up the work either via email or workflow and processing it manually.

2.4. Customer Expectations



3.0. Project Proposal for digital self service

The options open to the Council are:

3.1. Do nothing

There is an option to do nothing and to continue to use the existing self service portal and the eforms that are currently available on the web. The outcome of continuing without improvement and falling behind with technological advances is that customers will increasingly expect to transact with us online and will become frustrated and disillusioned with our online offering. This could lead to them using our telephone and face to face channels more frequently even for transactions that they would be able to complete on the web and this avoidable contact is very costly for us to resource. There are two issues here: the damage to the Council's reputation in being a leader for innovation and growth and delivering great services and the cost of resourcing the extra demand that could be generated by not developing excellent online services.

In light of the budget cuts that are already identified it's likely that frontline and back office staff numbers will need to be reduced. There would be no expectation that customer contacts will reduce in fact they will probably increase as with less staff there will be more failure demand. If we don't have a solution in place when staff numbers fall, we risk damaging the Councils' reputation, failing our customers and staff sickness and attrition rates increasing beyond our control.

3.2. New organisational operating model

As requested by the Channel Shift Programme Board, officers have explored a new model which has been developed in Eastbourne and is being adopted in South Hams and West Devon. The basis of the model is total reorganisation of the staff structure including a reduction in all staff posts by terminating and renegotiating contracts. The solution requires a wholesale restructuring of tiers of management and departments to break down silos of service delivery to work more efficiently, channel shift enabled by technology is a fundamental element in this. The newly engaged, remaining staff will work in an agile and mobile way either from home or hot desking. Savings would be generated from operating with less staff, improving processes and from the rationalisation of office buildings and premises, which could result in capital input if they are sold and a reduction in outgoings on upkeep and maintenance.

South Hams have worked with Ignite Consultancy and IESE to develop what they call the 'Future Model' and carried out a tender process to procure an IT system which will underpin the new way of working. Civica were successful in winning this contract and are developing a system to deliver the requested processes, workflow and middleware commissioned by the authorities.

3.3. Customer Contact Platform

This would involve the implementation of a scalable and secure online self service portal or 'My Account' which would allow customers to transact with us in a secure way at any time of day or night and on any day of the week. The ability to carry out transactions outside of normal office hours will mean that customers can choose when they interact with us and will reduce contact via other channels.

The intention would be to make as many transactions as possible 'One and Done' so that customers will not have to contact us again about the same issue, true self service will reduce failure demand as customers will be updated with digital or SMS progress reports. In the majority of cases the transaction will be integrated with back office systems and so will be completed automatically without staff intervention.

There would also be mediated access for staff which would mean that they could view transactions or contacts that the customer had made with the Council. Implementation of this programme would allow the Council to have a single view of customers across several services, so that all the information held about a customer can be seen together, for example information about council tax, benefits and housing. This single view supports a number of benefits for the customer including more streamlined customer journeys, issues resolved more quickly and fewer hand offs/ and touch points. Customers will have a wider choice of channels (self serve web, phone, SMS, face to face) and will be able to track progress on queries.

Before we can introduce new online services it's crucial that work is done with service departments to redesign their processes before putting them online. They must be streamlined and lean so that the online process has waste work eliminated.

Data collection has been taking place on current transactions, volumes and channels used. This will be used to determine which processes to put online first and will inform future development. The analysis will also provide a baseline of data that we can measure against to identify improvements and success in channel shift. (See Appendix a. - Table 1)

Design principles

The design focus should be on removing customer frustration and creating efficient services

Reduce Avoidable Contact

- ✓ Ineligible transactions (e.g. benefit enquiries/housing applications)
- ✓ Chaser calls (e.g. status of enquiry/application/report)
- ✓ Information calls (e.g. council tax balance/HB payment date)

Automate Transaction Processing

- ✓ Data entry (eg.council tax changes)
- ✓ Proof of identity and address
- ✓ Data management (e.g. cleansing/ housing)

Hand Off/Transaction Fulfilment

- ✓ Chasing data (e.g. incomplete information)
- ✓ Chasing payments (e.g. council tax)
- ✓ Posting/printing (e.g. cleansing/billing)

Single view of customer

This will enable seamless customer service as staff and customer will be able to see a customer's full transaction history with the council and will result in greater resilience across services as any member of staff will be able to use the system in a similar way to customers. This means that staff who are not familiar with a service can still action a customer enquiry by using the automated process.

Customer Satisfaction

Services will be designed to improve the customer experience so that customers will want to use the online services. Higher customer satisfaction should result with enquiries resolved quickly, fewer hand offs and customers able to track progress.

Integration with existing systems

This integration means that true savings can be made end to end as processes can be automated saving staff time at the frontline and in the back office, for example; completing an application form, making a booking or payment, reporting an issue or a council tax change in circumstances.

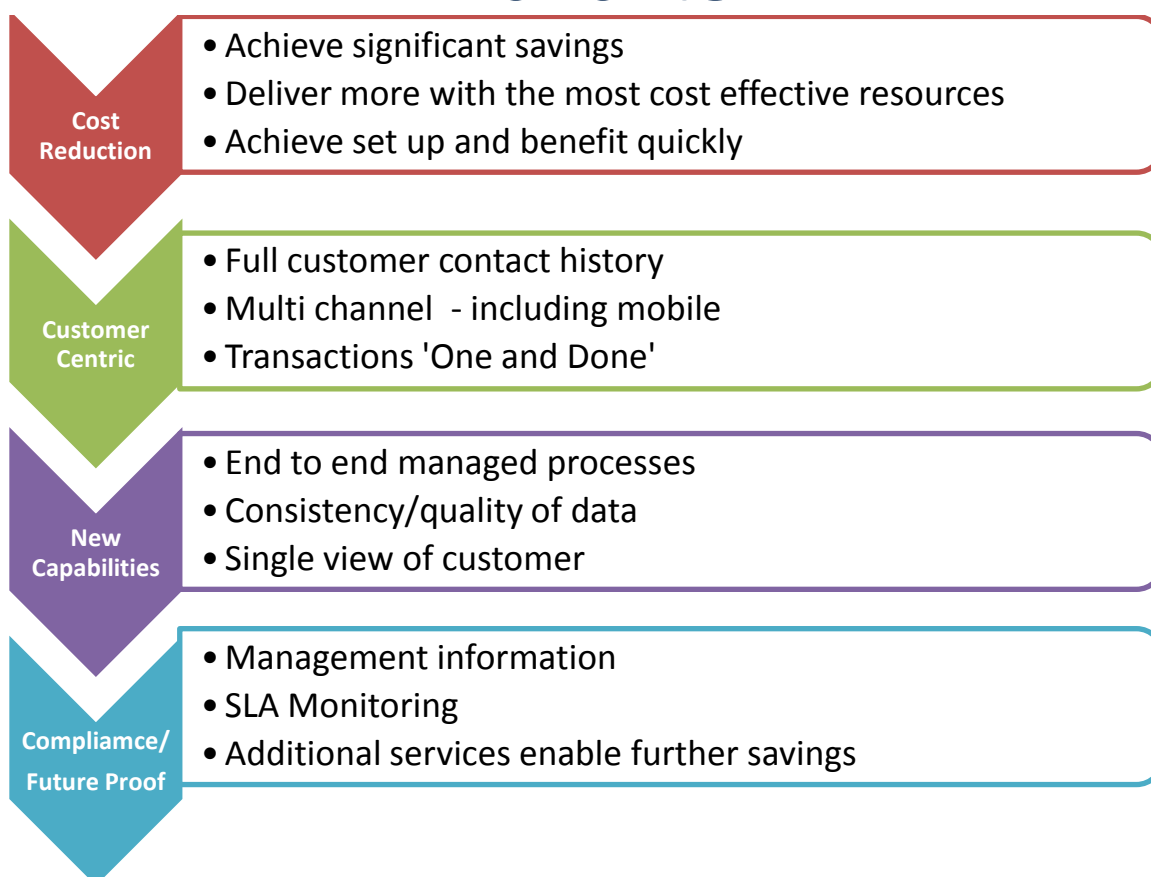
Redesign of processes

Existing processes must be redesigned to eliminate waste work and to streamline flows, only by including this as part of the work will the maximum cost savings be realised.

Business Portal

It would be the intention to utilise this technology to develop a business self service portal to complement the public portal. This could offer personalised services to businesses in the same way and could be used to generate income and revenue for example payment and collection of business rates, promotion of the trade waste service, Health and Safety and Food Hygiene courses, an online licensing service. This would be one place to go on our website for a business to find out information and to transact with the Council.

Benefits



3.4. Recommendation

Considering the risks of doing nothing (3.1) it seems that this should not be an option for the Council. It would leave the organisation in a very vulnerable position and would not allow a frontline service to function with a decrease in staff numbers. It would not give customers the 24/7 service that they require and could result in a loss of reputation and customer satisfaction.

The new organisational operating model (3.2) would require a large number of staff resources to implement and as the Council currently has several other elements in its Transformation Plan, there would be a risk of jeopardising those which are already agreed.

The customer contact platform (3.3) is a solution that will future proof the Council against the expected reduction in staff. It will ensure that services are available online and customers will be able to transact with the Council without having to telephone or visit, which means that they will be able to do so on any day and at any time. If we offer an excellent website and self service offering to customers this will reduce failure demand and avoidable contact for example chasing progress. There are considerable savings to be made by making information and transactions available to customers when and where they want to use them.

Detailed in this business case, is the information available on these options in relation to the savings that can be made, the resources that we have available and the impact on the organisation. Taking into account all of these considerations, the recommendation would be to move forward with option **3.3** the customer contact platform. (Indicative costs are in section 8.2.)

4.0. Project Proposal for voice activated directory

4.1. Automation Agent - Voice Activated Directory

As part of a review of the whole customer experience we should also look at the most efficient and cost effective way of dealing with telephone calls to the Council. Currently the corporate switchboard facility is staffed by either customer service officers or by agency staff. The level of work required is below that of the customer service staff grade so it's not cost effective to continue to use them for this work. Agency staff don't have the extensive knowledge of council staff and services and so are less efficient, also as an organisation we are clear that we don't want to continue to use agency staff over prolonged periods, therefore this leads to consideration of a digital solution.

Current costs:

- The number of switchboard calls received is approximately 120,000 per annum and 106,000 of those calls are answered
- To cover the opening hours and for breaks and lunches an FTE of 1.2 Customer Service Officer time is required
- Agency staff work 35 hours per week, therefore it requires 0.3 FTE of Customer Service Officer time to make up the difference

1.2 FTE Customer Service Officer	Grade 5	£28,860
1 x Agency worker - 35 hours weekly	Hourly Rate £10.63 (ex VAT) x 35 hours	£18,602
+ 0.3 FTE Customer Service Officer	Grade 5	£7,150
Total		£25,752

A digital solution would be an 'automation agent' which has the capability to answer a call and enter into a dialogue with the caller, using speech recognition, touch-tone, text-to-speech and other relevant capabilities in order to listen, speak and understand. In addition the automation agent can access back end data systems.

The operator services within the automation agent will enable a speech recognition solution which will reliably and accurately route calls. Callers will get through first time with a personal greeting and it will seamlessly integrate office, mobile and home-workers without the customer being aware, ensuring service delivery to customers wherever the member of staff is at that time.

Potential benefits for customers

- Consistency for customers as all calls will be answered in the same efficient and professional manner
- Fast call answering, as customers are almost immediately connected. On average calls are answered within 10 seconds
- Efficient and personal - customers speak the name of the person, department or service they wish to contact and then are quickly connected

- Callers with more complex requirements can request an operator at any time, by taking away routine calls (i.e. the majority) from staff to be answered by the automation agent, they can focus their productivity on helping those in most need
- The directory is set up to recognise multiple names for a service for example, bins, rubbish, refuse
- If unsuccessful at first the system will hunt for the desired contact at multiple locations, should the contact remain unavailable then the caller will be given the option to leave a message or request another contact
- The caller can be greeted with time adjusted greetings to maintain a personal service
- In the need for business continuity the system can be configured to provide a temporary message e.g. 'the recent snowfall means that we are experiencing additional calls/ bin lorries can't collect etc.
- Extended hours as callers can use the self service option for balances or payments
- The system is designed so that accents are irrelevant and it will recognise any accent and name and if it doesn't do so the first time there is a facility for it to 'learn' for the next time

One 'golden' number

Using a system such as this will enable the Council to consider using one number for all service areas as the system would then route the calls to the correct place. This would eradicate the need to advertise several extension numbers and letters and correspondence to customers would only require one number. We would not have the need for so many direct dial extension lines which would give a saving of **£5,160 per annum**.

Consideration would have to be given to other costs that could be incurred by only having one number for the Council. Mainly this would be around the livery of Council vehicles, publicity materials already in circulation and leaflets. Currently the newer Council vehicles do not carry a telephone number although older vehicles carry the service contact number. It would be simple to route the old numbers - whether on vehicles leaflets or brochures, into the 'one golden number' so that the customer would not have a dip in service and would not necessarily realise that it had happened. Of course we would want to educate people about the 'new' number and that could be done through messaging on the system and a publicity drive (costs are detailed for this in section 8.2.)

5.0. Key Assumptions

5.1. Procurement expertise will be available when required via Strata

5.2. We can procure via the Digital Service Framework (previously G-Cloud)

5.3. The project has been placed on the Strata programme of work

5.4. Strata staff will be informed and involved in the planning and implementation of the system

5.5. IT Development and support will be available from Strata as required

5.6. The website will be redeveloped to provide relevant information which is easier to access and it will have responsive design so that it will render on any device such as tablets or Smartphones

- 5.7. Staff with the appropriate expertise and experience will be recruited/seconded internally to work on this project
- 5.8. Managers and staff from the units involved will co-operate fully to redesign their services to be ready for online delivery and changes to 'back office' work
- 5.9. Invest to save efficiencies will only be realised when staff numbers are reduced and each Assistant Director will be responsible for ensuring that these reductions take place when their services go through this process and show a reduction in transaction numbers and/or a requirement for back office processing
- 5.10. The existing customer relationship management system which is Lagan will be replaced as part of the recommended solution; this will result in a saving of £20,000 per annum
- 5.11. The existing Capita Connect portal will be replaced releasing a saving of £17,000 per annum
- 5.12. The staff costs for covering switch board calls will no longer be required, releasing a saving of £28,860 per annum
- 5.13. There will be a reduction in the number of direct dial telephone lines resulting in a saving of £5,160
- 5.14. The necessary staff reductions will be made by services as required as savings detailed in this report are predicated on that taking place (see Appendix a)

6.0. Options for Delivery

6.1. In- house

The potential to develop a system in- house was considered. Developers in IT are building a bespoke new system for Planning using Enterprise Service Builder (ESB) and so it was a consideration that perhaps those skills could be used to also build a self service customer contact platform. It was felt that using ESB would offer advantages in that the skills for using it are transferrable therefore more people in IT would be able to work on developing and supporting such a system. However the time scales required would be challenging as the requirement would be for a portal to be live in the shortest time possible i.e. 3 to 6 months and in discussions with IT managers it was agreed that an in-house development from scratch was unlikely to be achieved in a few months. It was also a consideration that we could 'buy in' some expertise from the originators of ESB and this was taken into account in the decision making process but they have never developed a fully functioning self service portal (although they are working on one for a small authority in the Midlands). It was felt that we would have more confidence in a supplier who had a proven track record in this field.

6.2. External suppliers

Research was done on systems available in the market place to determine which might suit the requirements of the Council and several suppliers were asked to demonstrate their solutions. The solutions vary and as expected some offer more than others. The fact they could direct us to reference sites where they have delivered within agreed timescales and achieved savings was key to the decision to recommend using an external supplier rather than an in house development for this project.

7.0. Project Delivery

7.1. Project Approach (including governance of the project)

The approach was to discover what digital customer access means, how we can use technology to transform services and then how we can best implement new technology to achieve savings. The initial research and development was undertaken by myself and then the group was expanded to include the Assistant Director Customer Access, the Web Manager, IT Manager and an IT Developer. Suppliers have given demonstrations of their systems and a Specification Document has been written.

There is a commitment to run the programme within project management parameters. A Project Initiation Document has been produced and has been updated as planning has progressed. This PID will be used to detail management of the ongoing project post acceptance of this business case and will be made available as required for implementation and governance of the project.

The AD Customer Access gave a presentation to SMT laying out the thinking at that stage and she also presented it to the middle managers' meeting.

A Programme Board was established to oversee the governance of the project. The membership consists of the Leader of the Council, the Portfolio Holder for Customer Access, the Portfolio Holder for Enabling Services, the Deputy Chief Executive, the AD Customer Access, Web Manager and Customer Access project manager.

7.2. Key Milestones of the project

Request approval for funding:

- | | |
|--|----------------------------|
| ➤ Review of the business case by SMT | 30 th September |
| ➤ Joint Consultation and Negotiation Committee | 3 rd November |
| ➤ Scrutiny Resources Chair's Briefing | 5 th November |
| ➤ Scrutiny Resources | 19 th November |
| ➤ Leader's Briefing for Executive | 26 th November |
| ➤ Executive | 9 th December |
| ➤ Council | 16 th December |

If funding is approved:

- Procurement of customer contact platform and voice activated directory – January 2015
- Implementation of customer contact platform – start April 2015
- Redesign of the first services to be included – start April 2015
- Implementation of voice activated directory – start April 2015

7.3. Timescales for delivery

- Procurement of customer contact platform and voice activated directory - 3 months
(assuming it can be procured using a government framework)
- Implementation of customer contact platform – 7 months for the first 3 services from the date of the purchase order
- Redesign of the first services to be included – 4 to 8 weeks for each service
- Implementation of voice activated directory – 6 to 12 weeks from the date of the purchase order

7.4. Key Measures of success

- The successful transfer of the first 3 services online within 6 months of purchasing a new system
- Measurement of channel shift – i.e. how many customers are using the new services/how many less phone calls/visits
- 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 directory will be measured by the number of calls successfully transferred without an intervention
- Reduction in the number of abandoned calls
- Reduction in FTE posts saved from establishment

8.0. Project Resources

8.1. People

It is proposed that the most effective way of implementing this work would be to create a Business Improvement Team consisting of 2 FTE (Business Improvement Lead and Business Improvement Analyst) plus a secondment of 0.6 FTE from Customer Services. These roles would be ongoing for the period of procurement and implementation but after the initial stages they will be important for continuous development of service delivery to manage the relationships between stakeholders and to support embedding business improvement ideals and skills within other service areas. Further dedicated input would be required from IT, Web, service managers and Communications although it's difficult to say with certainty at this stage what amount of time this would entail. Following implementation when the first 3 services would be live, a review would need to be undertaken to assess whether the appropriate expertise and skills were available to the team and whether more or less resources would be required for the future development of services.

Business Improvement Lead – the skills required are to be a customer focused lead for effective and sustainable change and to communicate with all levels of the organisation. To manage the project planning process and facilitate decision making to ensure that progress is being made on all tasks. To understand operational requirements and to challenge and engage with services to improve their online offering by redesigning processes. To innovate working practices and identify future working models

Business Improvement Analyst – to support business process redesign, and operational use of IT to improve the customer experience. To engage with and challenge services to redesign the customer journey. To research best practice and to ensure that all opportunities for efficiency and effectiveness in the customer experience are maximised.

IT – expertise is required from IT to work on the development and implementation. This will have to be agreed in detail with Strata when the supplier is chosen. It is difficult to know the extent of development and support required until we have procured the system but it is expected that there will be a requirement for at least one developer to work full time on implementation with support from other developers as when required. There will be ongoing work on improvements and introduction of further services.

Web - there will be a requirement for the web administrator to work with the supplier on embedding the portal in the website and to match the Council website's look and feel so the portal is seamless with the website. This resource will also be needed to work on optimisation of the web pages for sign up opportunities.

Communications –there will be a requirement for a Communications specialist to work with the team. It is imperative that Communications are engaged with this project and working closely with the team in order to ensure maximum coverage as required. Communications expertise will also be critical in establishing the system requirements of the public facing portal along with Customer Services.

Customer Service - a Customer Service lead will be required in order to ensure the customer requirements are being met. This person could be seconded for part of the week during the implementation phase as they would also be involved in the process design work with services - 3 days a week for 6 months.

8.2. Costs including technology, staff, marketing, and future costs for continued development- for a cost benefit analysis please see 12.0.

Costs Customer Contact Portal

NB the capital and revenue expenditure is indicative and is based on costs calculated by suppliers using Council data, no negotiation on price has taken place but it's expected that the actual costs would be less

Customer Contact Portal Capital Expenditure	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total over 5 years
Set up for portal and to deliver the first three priority services	£100,000	£0	£0	£0	£0	£100,000
For web services to connect to back office systems for integration *	£30,000 (6 connectors)	£30,000 (6 connectors)	£15,000 (3 connectors)	£15,000 (3 connectors)	£0	£90,000
Additional Services, (to add in additional processes, suppliers costs vary)	£15,000	£30,000	£30,000	£15,000	£0	£90,000
Sub Total	£145,000	£60,000	£45,000	£30,000	£0,000	£280,000

Customer Contact Portal Annual Costs	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total over 5 years
Licence, maintenance and support	£50,000	£50,000	£50,000	£50,000	£50,000	£250,000
Licence for web services to connect to back office systems for integration*	£9,000 (assuming £1,500 for each - 6)	£18,000 (assuming £1,500 for each -12)	£22,500 (assuming £1,500 for each- 15)	£27,000 (assuming £1,500 for each -18)	£27,000 (assuming £1,500 for each -18)	£103,500
Marketing Costs	£5,000	£0	£0	£0	£0	£5,000
Sub Total	£64,000	£68,000	£72,500	£77,000	£77,000	£358,500

Staff – 2 new posts	
Business Improvement Lead	Grade 10* inc on-costs - £44,197
Business Improvement Analyst	Grade 7* inc on-costs - £31,780
Total	£75,977

***Please note these grades are indicative for illustrative purposes only and any posts would be subject to the Council's JE process**

Costs and Savings for Voice Activated Directory

Voice Activated Directory Capital Expenditure	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Hardware/Software	£35,400	£0	£0	£0	£0
Professional Services for set up	£7,900	£0	£0	£0	£0
Connecting the solution to existing telecoms infrastructure	£1,500	£0	£0	£0	£0
Sub Total	£44,800	£0	£0	£0	£0

Voice Activated Directory Annual Costs	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
For service and support of system including upgrades, Directory Subscription Services	£9,800	£9,800	£9,800	£9,800	£9,800
Marketing	£5,000	£0	£0	£0	£0
Sub Total	£14,800	£9,800	£9,800	£9,800	£9,800

Savings Voice Activated Directory	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total over 5 years
Replacement of Switchboard staff with Voice Activated Directory	£28,860 1.2 FTE Grade 5 Inc on-costs	£28,860 1.2 FTE Grade 5 Inc on-costs	£28,860 1.2 FTE Grade 5 Inc on-costs	£28,860 1.2 FTE Grade 5 Inc on-costs	£28,860 1.2 FTE Grade 5 Inc on-costs	£144,300
Removal of Direct Dial lines	£5,160	£5,160	£5,160	£5,160	£5,160	£25,800
Sub Total of savings	£29,890	£29,890	£29,890	£29,890	£29,890	£170,100

9.0. Issues

- 9.1.** Strata savings model means that the Council would have to repay projected savings if we want to use a system that's not converged with the other authorities. The advice from the Assistant Director Finance however is that if we have a new system as proposed in this business case, this won't apply.
- 9.2.** Joint working with East Devon and Teignbridge has been explored as this could have an impact on the work, however currently East Devon are pursuing their individual project and Teignbridge are not looking at a solution themselves but could potentially be interested in using the same as us.. This is expected to continue for the foreseeable future.
- 9.3.** Lack of expertise to help with procurement process. If not available the impact would be that we might not be able to procure the system in a compliant or timely way however from 15th September there is a temporary procurement officer available. It is also possible that procurement expertise within Strata could be utilised.
- 9.4.** It's hoped that we can use the G-Cloud framework; this is a government procurement framework which is designed to reduce the time taken to procure software and also to encourage more use of SMEs. Without using this framework, procurement could take up to 6 months or longer.
- 9.5.** There is a sum in the proposed costs for marketing the new services. It's important that customers get to hear about our new self service portal. If the marketing isn't sufficient or is not done well that could result in take up being poor as customers would not be aware of the benefits of using the self service option. However the main way that customers will find out about it is through the frontline staff telling them that it's available and encouraging sign up. (Marketing information is detailed in Appendix b)
- 9.6.** Some customers will be excluded or disadvantaged if they can't use digital channels either through lack of skills or lack of opportunity, this will be mitigated by making the offering as user friendly as possible. Help for the digitally excluded would be available in the Customer Service Centre and there may be help from other agencies to train people in how to use digital services.

10.0. Links and Dependencies

- 10.1. Website development to provide a responsive website which will render on any device and which will offer a better experience for customers, This will encourage more use of the self service portal as customers will be able to use tablets and smart phones to access it.
- 10.2. Adequate ongoing funding so that the system can be developed to its full potential and further services added in a planned programme of work
- 10.3. Procurement expertise being available at the time of wanting to procure the system
- 10.4. IT Development and support available from strata when we are procuring the system, to work with the suppliers for implementation and ongoing for support and future development
- 10.5. The appropriate staff being released to work on the project when required for example a Communications Officer, or a Customer Services Lead, if this isn't possible it will delay the implementation
- 10.6. The co-operation and engagement from services to work with the Business Improvement Team on redesigning their front and back office processes to make them fit for purpose in terms of implementation of any new system and senior managers' support will be crucial in achieving and maintaining this

11.0. Impacts

- 11.1. There will be an impact on staff numbers in several areas as the savings associated with this work are predicated on a reduction in staff and 'spend to save' efficiencies will only be realised when staff are taken out of the establishment
- 11.2. Frontline and back office staff resource requirements – seconded/on pull staff will be taken away from other duties
- 11.3. It will be paramount that managers and staff are given time to fully engage in the work involved and are encouraged by senior managers to see the value in putting their services online and changing their processes
- 11.4. Training needs for implementation team and frontline and back office staff to use new processes
- 11.5. An Equality impact assessment will be completed to take account of digital inclusion and vulnerable groups
- 11.6. The Council's Reputation. The impact could be very positive but if the new service is not excellent it could result in some loss of reputation
- 11.7. Setting up of a new Business Improvement Team would require HR involvement and the agreement of funding ongoing
- 11.8. Cessation of costs for CRM (Lagan), Capita Connect Portal and Switchboard staff will result in a year on year saving.

12.0. Council Approved Funding Required**Cost /Benefit Analysis (see Section 8.2. page 14)**

	Capital	Revenue					Annual Net Cost/(Saving)
	Cost	Annual Borrowing Costs	Annual Maintenance, Licences & Support Costs	Additional Staffing Cost	Staff Saving	Lagan/Capita Connect Saving	
Year 1	145,000		64,000	75,977	26,151	37,000	76,826
Year 2	60,000	12,325	68,000	76,737	105,650	37,000	14,411
Year 3	45,000	17,425	72,500	77,504	226,752	37,000	(96,323)
Year 4	30,000	21,250	77,000	78,279	363,737	37,000	(224,208)
Year 5		23,800	79,156	79,062	449,013	37,000	(303,995)
Year 6		23,800	81,372	79,853	467,246	37,000	(319,221)
	280,000						(852,509)

Assumptions

Annual borrowing costs are 8.5%

Annual maintenance, licences & support costs increase by 2.8% per annum

Salary costs increase by 1% per annum

Staff savings based on grade 5 plus 31% oncosts

Additional staffing costs are subject to JE

Assumed staff numbers are reduced midway through each year

Please note that some of the staff savings identified have already been included within the savings plan

From Year 6 onwards it is estimated that the total on-going saving will be in the region of £320,000 per annum

**Staff Savings
(staff years not FTE)**

Year1	1					1
Year2	2	2				4
Year3	2	4	2.5			8.5
Year4	2	4	5	2.5		13.5
Year5	2	4	5	5	0.5	16.5
Year6	2	4	5	5	1	17
	11	18	17.5	12.5	1.5	60.5

Annual Salary - top of Grade 5 = £19,765

On-costs = 31%

14/15	25,892
15/16	26,151
16/17	26,413
17/18	26,677
18/19	26,943
19/20	27,213
20/21	27,485
21/22	27,760
22/23	28,037

Cost/Benefit Analysis - Voice Activated Directory (see Section 8.2. page 15)

	Capital	Revenue				Annual Net Cost/(Saving)
	Cost	Annual Borrowing Costs	Service & Support	Staff Saving	Removal of Direct Dial Lines	
Year 1	44,800		14,800	31,071	5,160	(21,431)
Year 2		3,808	9,800	31,381	5,160	(22,933)
Year 3		3,808	9,800	31,695	5,160	(23,247)
Year 4		3,808	9,800	32,012	5,160	(23,564)
Year 5		3,808	9,800	32,332	5,160	(23,884)
Year 6		3,808	9,800	32,655	5,160	(24,207)
	44,800					(139,267)

Assumptions

- Annual borrowing costs are 8.5%
- Salary costs increase by 1% per annum
- Staff savings based on grade 5 plus 31% oncosts

Please note that some of the staff savings identified have already been included within the savings plan

From Year 6 onwards it is estimated that the total on-going saving will be in the region of £24,000 per annum

Summary: Total Capital Costs £324,800
Total Net Revenue Savings over 6 years (£991,776)

13.0. Additional Appendices

Appendix a) Transaction numbers and staff savings

Appendix b) Marketing Information

Document Control

Version	Date	Author / Editor	Revision Notes
1.0	19/09/2014	Lyn Hicks	
1.2	08/10/2014	Lyn Hicks	7.2. Amendments to date of Chair's Briefing and inclusion of date for JCNC meeting
1.3	21/10/2014	Lyn Hicks	Amendments following Channel Shift Programme Board meeting. Spend to save, schedule for implementation of services
1.4	07.11.2014	Lyn Hicks	12.0. Finalised cost benefit analysis
1.5	11.11.2014	Lyn Hicks	Removal of appendix referring to JDs for proposed new posts

Appendix a)

Table 1 – Current Transaction Numbers from data collection exercise assuming a 2% increase in numbers year on year

Annual Transaction Numbers	Current	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Customer Services (front office)	93,050	94,911	96,809	98,745	100,720	102,735
Housing Benefit (back office)	23,760	24,235	24,720	25,214	25,719	26,233
Council Tax (back office)	21,348	21,775	22,210	22,655	23,108	23,570
Housing Rents (OVOD - front and back office)	19,824	20,220	20,625	21,037	21,458	21,887
Housing Repairs (front and back office)	42,000	42,840	43,697	44,571	45,462	46,371
Environmental Services (front and back office)	20,568	20,979	21,399	21,827	22,263	22,709
Parking Services (front and back office)	2,504	2,554	2,605	2,657	2,710	2,765
Electoral Services (back office)	69,756	71,151	72,574	74,026	75,506	77,016
Planning & Building Control (back office)	11,880	12,118	12,360	12,607	12,859	13,116
Total transactions (of services going online)	304,690	310,784	316,999	323,339	329,806	336,402

Table 2 - Estimated Transaction Numbers with Customer Contact Portal

Assuming a 10% year on year reduction in transactions

Annual Transaction Numbers	Current	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Customer Services (front office)	93,050	85,420	77,447	69,122	60,432	51,367
Housing Benefit (back office)	23,760	21,812	19,776	17,650	15,431	13,116
Council Tax (back office)	21,348	19,597	17,768	15,858	13,865	11,785
Housing Rents (OVOD - front and back office)	19,824	18,198	16,500	14,726	12,875	10,944
Housing Repairs (front and back office)	42,000	42,840	39,327	35,657	31,824	27,823
Environmental Services (front and back office)	20,568	20,979	19,259	17,462	15,584	13,625
Parking Services (front and back office)	2,504	2,554	2,605	2,392	2,168	1,935
Electoral Services (back office)	69,756	71,151	72,574	66,623	60,405	53,911
Planning & Building Control (back office)	11,880	12,118	12,360	12,607	11,573	10,493
Total transactions (of services going online)	304,690	294,670	277,617	252,096	224,157	195,000

% Reduction in Transaction Numbers 0.0% 5.2% 12.4% 22.0% 32.0% 42.0%

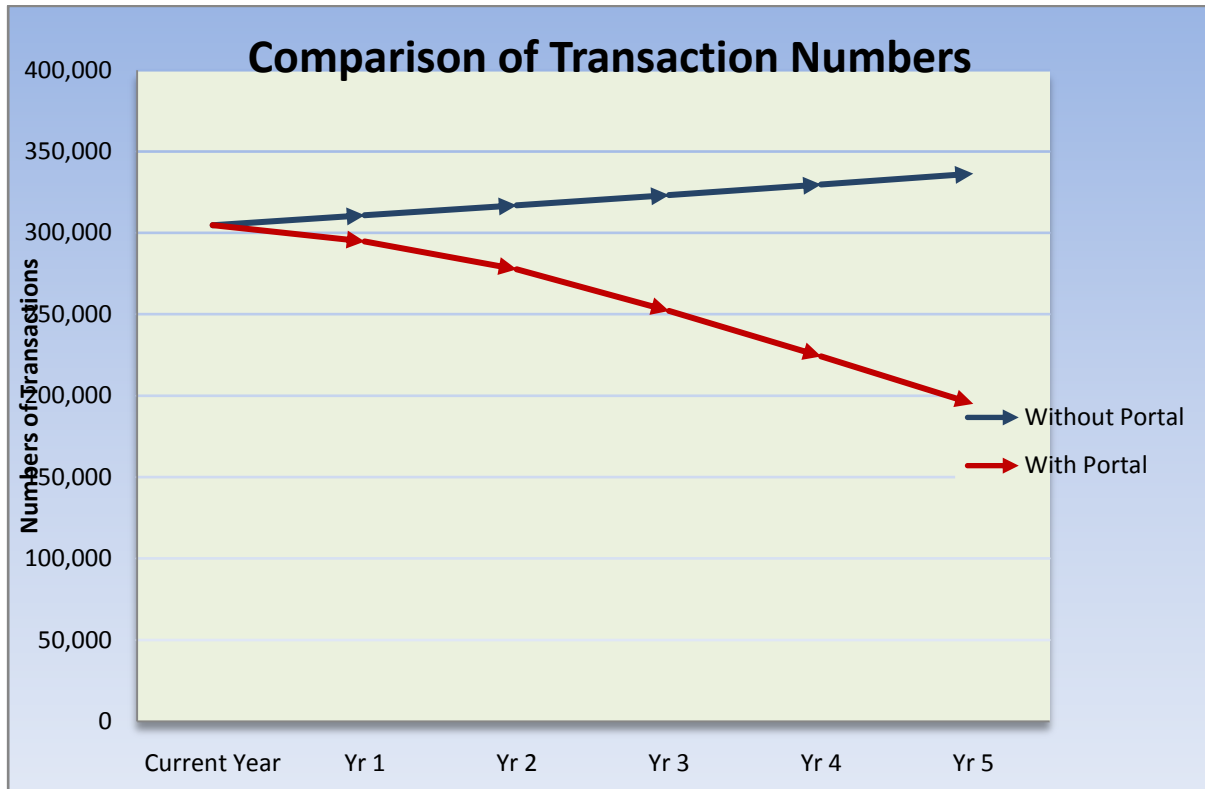


Table 3 - Timetable for implementation of online services (NB. This schedule may be subject to change to reflect prevailing conditions of service)

Yr 1	Yr 2	Yr 3	Yr 4
Housing Benefits	Housing Repairs	Electoral Services	Planning/Bldg Cont
Council Tax	Env Services	Car Parks	Other Services
Housing Rents			
Payments			

Table 4 - Assuming a 10% year on year reduction in transactions

Reduction of staff numbers

Service	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Customer Services	1	1	1	1	1
Housing Benefit	1	1	1	1	
Council Tax		1	1		
Housing Rents (OVOD)			1		
Housing Repairs		1		1	
Environmental Services			1	1	
Electoral Services				1	
Planning & Building Control					
Payments (distributed between services)					
	2	4	5	5	1

Appendix b)

Marketing Information

Marketing would be co-ordinated with our Comms team, they would organise whatever publicity they felt was appropriate. Suppliers have indicated that they would also help with advice and guidance about marketing as they know what has worked at other sites.

We currently have a database of 17,000 customer email addresses. These are drawn from existing databases held by the Council and it's been agreed with the Data Protection Officer that they can be used for outbound messages as long as there is a prominent link enabling the customer to unsubscribe. This would be a strong basis for an initial digital communication informing customers about the service and inviting them to subscribe. There will also be separate databases held by RAMM and the Corn Exchange which we could utilise.

One of the main areas for promoting take up will be the frontline staff who will have many opportunities to tell customers about the service both face to face and on the telephones and importantly will be able to collect up to date email addresses. Customer service interactions are the optimal time to capture customers when they are engaged with our organisation. GovDelivery can provide training resources for frontline staff.

Social media can be utilised as a means to get the information out to an audience, so we can use Twitter and Facebook to tell customers about the service. There will also be a social sharing promotional message at the end of the subscription process inviting people who have signed up to share the information with friends via social media.

There would be optimum subscription availability on all web pages in the best position for usability and interest. This should work well as we would capture people when they are engaged and actively involved in our website.

Sign up opportunities would be included on high traffic contact or registration forms by adding an email sign up option on the form.

Widgets would be placed on our sub-sites like the RAMM website; this would encourage people visiting these sites to sign up.