



Officer and Date

Cabinet 20 May 2015

12.30 pm

Item

**7**

Public

## **Future delivery of Customer Services in Shropshire**

**Responsible Officer** Rod Thomson

e-mail: [rod.thomson@shropshire.gov.uk](mailto:rod.thomson@shropshire.gov.uk)

Tel: 01743 253934

### **1. Summary**

- 1.1 As part of the local authority's plans to become a commissioning Council, a review is under way to assess which of its existing services may have the ability to trade beyond the provision on internal council services. Permission is sought to further explore the potential advantages and disadvantages of prospective delivery models for the Customer Service function, and to investigate the potential market.
- 1.2 Careful consideration needs to be given to what is commissioned going forward by way of the public face, both for the Council and for the citizens of Shropshire. The potential advantages and disadvantages around commissioning what currently operates as a single front door into all Council services and indeed, whether such a service is required at all in the future, requires thorough investigation. Additionally, the opportunity to gather intelligent data on our customers, through technology that affords a "single view of the customer" and which could bring significant benefits and savings to the Council, also requires investigation.
- 1.3 Shropshire Council is redesigning its services, including adult social care, locality commissioning and customer engagement 'hubs' and Customer Services is an integral part of these redesign programmes. Any change to its services may have positive or negative effects on such redesign plans. Whilst Customer Services delivery options could be looked at in isolation from a coordinated strategic redesign, such a move could adversely affect other services and could also affect the timing of any changes needed.

- 1.4 For Shropshire's citizens and businesses, Customer Services is the front door into Council services, it is a recognised and trusted single point of contact that people either know or can easily find. It is also the first point of contact with the authority for individuals and organisations outside the County.
- 1.5 Customer Services is not a message handling centre, it is the point at which Shropshire citizens engage with skilled advisers, who have the capacity to identify and meet a wide range of needs for the customer using the principle of one contact providing multiple solutions and dealing with the whole customer not just the transactional need. This minimises the number of steps and contacts that a customer must make. Skilled advisers draw out even complex underlying and unseen needs and in meeting these can dramatically increase the long term value of that contact.
- 1.6 Shropshire Council must continue its programme of financial savings during the coming years and some of these savings will relate to Customer Services. Recent work with other services to redesign their customer interface through the Customer Service Centre has resulted in large operational savings for those services. The potential to factor in a proportion of the value of these operational saving against those otherwise required from Customer Services should be investigated.

## **2 Recommendations**

- 2.1 Cabinet is recommended to approve the proposals set out in this paper which are to explore the commissioning options with the advantages and potential disadvantages for delivering the Customer Services function
- 2.2 Cabinet is recommended to give delegated authority to the Director of Public Health, in consultation with the Portfolio Holder for Resources and Support, with input from Commissioning Directors, to make any further decisions around changes to service scope.
- 2.3 Cabinet receives a further report on the outcomes following completion of the required financial and due diligence work and any resulting proposal relating to a revised delivery model.

## REPORT

### 3. Risk Assessment and Opportunities Appraisal

- 3.1 The primary risks include the possible effects on what is a key role in supporting the Council to deliver a high quality, fully managed, maintained and efficiently operated multi-channel Customer Service function that in a single contact will increasingly meet the needs of vulnerable people. Vulnerable customers could be disadvantaged by not being able to manage multiple delivery routes. The loss of a single point of access puts at risk the provision from one place of independent data on the performance of services and potentially the ability to provide a detailed history of a customer's needs that will further support preventative actions. Such a loss could lead to the creation of silos of information elsewhere.
- 3.2 Many customers will still see Shropshire Council as the principle route for support with services that it commissions and it follows that Shropshire citizens will continue to see the Council as responsible and accountable for these services. There is therefore a key role for any front of house service to play.
- 3.3 There is clearly a need to reduce the cost of customer transactions but what is also clear is that reducing the cost of delivery together with encouraging a shift to more cost effective methods such as online services for those who can, will not address the funding gap. A new approach that incorporates a more preventative style able to deal with multiple requirements is needed.
- 3.4 Customer Services' approach is more co-ordinated, incorporating both channel-shifting of appropriate enquiries to more cost effective and convenient methods and adding a more preventative model concentrating on early identification of potential difficulty. Providing a timely and appropriate intervention here can avoid crisis situations arising. For example the successful redesign of adult and children's services has demonstrated the benefits to the public, particularly those with significant social care needs, of having thorough and effective triage based call handling and an 'early help' approach, this has made significant savings elsewhere.

- 3.5 Any new delivery model must recognise and deliver the core activity of safeguarding and promoting the welfare of children and adults with the prioritisation of appropriately skilled adviser time being a major requirement. The high priority of these contacts, the time devoted to their resolution and the speed with which such contacts are answered must reflect the status of this activity
- 3.6 Call centres are reliant on good quality technology to support their roles. Whilst such technology requires significant and regular investment which is likely to be difficult in view of the financial constraints faced by the Council, such investment in this technology negates the risk of duplication in the back office so avoiding unnecessary cost and making businesses cheaper. With that in mind any new delivery model may need to seek a partner in order to share resources and reduce its running costs.

#### **4. Financial implications**

- 4.1 The total gross 2015/16 budget agreed by Council on 26<sup>th</sup> February 2015 to deliver these services is currently £4.034M, controllable costs £2.791M.
- 4.2 Under the current Medium Term Financial Plan which ends in 2016/17 any proposed change would need to reflect the 7.5% a year reduction however, recent work with other services to redesign their customer interface through the Customer Service Centre has resulted in large operational savings for those services. The potential to factor in a proportion of the value of these operational saving against those otherwise required from Customer Services should be investigated

#### **5. Equality and Social Inclusion Impact Assessment**

- 5.1 An Equality and Social Inclusion Impact Assessment has been undertaken and will continually evolve, being kept under review following any consultation. These services are universal in nature and will continue to be provided to all Shropshire residents and businesses, fairness and equity in service provision is a key requirement.

#### **6. Background**

- 6.1 Customer Services provides the Council and the customer with a single front door where all issues, from high volume high capacity

enquiries to highly involved preventative interventions with more vulnerable customers, are resolved. This single front door combines the face to face, telephone, social media and digital (web) channels working together in a co-ordinated approach and gives the opportunity to completely redesign the way in which the Council interacts with customers.

- 6.2 Through servicing customer needs in one place, the Customer Services operation affords economies of scale and efficiencies in customer handling that are lost where separate businesses work in isolated silos. The skills flexibility and service knowledge of customer service staff across a wide range of Council services means they are not restricted to handling single service requests but can instead handle multiple needs for the customer there and then. Significantly, these skills allow advisers to service many different types of contact so adding to the effectiveness and economy of the provision and the smooth customer perception of what is a high compliment low complaint service.
- 6.3 In our experience, Shropshire citizens continue to rely on Customer Services and considerable numbers continue to make contact in respect of services now placed outside Shropshire Council. Having met customer expectations over a long period of time, this issue must be a consideration in any wider redesign or delivery model.
- 6.4 Digital and online service provision also offers the opportunity to move those customers who can self-serve onto more cost effective and convenient channels (The Society of Information Technology Management SOCITM figures suggest that individual face to face transactions can cost up to £7.40 each verses 32p for an online transaction).
- 6.5 Our experience shows that increasingly, people seek advice through Shropshire Council especially when they face difficult issues in their lives. Continuing to concentrate solely on the transaction and on reducing the cost without investigating preventative action would be to miss an opportunity. Concentrating instead upon early identification and early intervention through effective triage raises the chances of changing long term outcomes for customers, especially those who are more vulnerable and at risk of reaching crisis point. We know, from the work already done with Adult and Children's Social Care Teams, that this reduces the number of costly interventions elsewhere in Shropshire Council and has the potential

to go beyond, for example reducing dependency on welfare and NHS provision.

- 6.6 Changing the customer's outcome, for example using the interaction to help to support someone to remain within their own home for longer before requiring a funded support package represents much larger financial savings than simply reducing the costs of providing existing, traditional transactional channels. We will make it easier to conduct simple transactions through alternative and more cost effective channels, but we will also identify and meet need in those areas that could otherwise end up as a high cost to the Council.
- 6.7 The natural advantage of Customer Services is in having the customer there, talking to us, sitting in front of us meaning that we truly own the interaction. Our knowledge of trends and fluctuating demands allows us to proactively manage those demands for the back office and our ability to identify and take steps to prevent unnecessary contact can make savings for that business.
- 6.8 The ability to manage the entire customer pathway using the right Customer Relationship Management (CRM) system would facilitate an information history showing why customers have contacted us. This single view of the customer can be used by our Digital First and Quality Assurance Teams to interpret patterns and trends so allowing us to circumvent avoidable contact particularly for simple high volume business by releasing appropriate messages through a variety of media. Significantly, intelligent systems can interpret this data and alert the need for preventative action to be taken. The opportunity to share merged data from other public sector bodies through joint ventures strengthens this ability to prevent and increases the ability of each to meet their own duties and responsibilities as well as giving opportunity for wider financial savings.
- 6.9 The concept behind Customer Services is one based on continually redesigning the customer contact pathways from first point of contact through to resolution.

Any future delivery option should consider continuing these core principles of delivery:

- Customer self-serve and self-support wherever possible is the primary delivery objective.

- Appropriate signposting, assisted support, including assistance to use digital channels, is prioritised ahead of direct intervention so concentrating personal contact upon those citizens who have underlying or greater needs.
- Early intervention and early identification, including through the support of partners is key to reducing long term demand and dependency
- Resolution at first point of contact is key to ensuring back office resources are concentrated on those who need them most

## **7 Conclusions**

- 7.1 As a Council wishing to be seen as providing the best service possible, the interface with our customers is a vital role now and in the future. Customers are the lifeblood of any business and treating them well should always be a natural priority and careful consideration therefore needs to be given to the kind of public access a commissioning council should have and how this interaction might feel for the customer. This is particularly important given that in the eyes of Shropshire's citizens the commissioning Council will still be highlighted as having a major role in, and responsibility for, any services commissioned.
- 7.2 In investigating the possible options available it is important that the role currently fulfilled by Customer Services is clearly understood. The Customer Services function was designed to bring economies of scale into our dealings with our customers. In addition there are in-built efficiencies and an increased effectiveness in having advisers who possess multi-service knowledge able to handle many different customer needs in one place. This flexibility to handle large numbers of contacts could be lost.
- 7.3 The reduction in public spending will impact on the ability to deliver services across the whole Council. There is now the need to investigate further the options for commissioning Shropshire Council's front door and to investigate and test any market opportunities with the results of these investigations being brought back to future cabinet.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Cabinet Member : Mike Owen**

**Local Member: All**

**Appendices:  
None**