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Options paper on the Future delivery of Customer Services in Shropshire

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1. Summary

- 1.1 This paper outlines a number of options for the future delivery of Customer Services.
- 1.2 Customer Services role as the front door into multiple services for Shropshire Council has developed way beyond simple transactional functions. It is the recognised front door into Shropshire Council for our citizens and a “whole person approach” has been developed through an important safeguarding role and an intelligent triage/early warning and intervention/prevention system for our most vulnerable citizens generating savings elsewhere for the Council. Integrating our welfare reform functions together with local crisis funding into this front door adds preventative capability at a time when changes to benefits are about to affect many of Shropshire’s poorer citizens. Customer Services placement and focus allows direct and rapid response to the Council’s needs as recently seen in high profile enquiries and consultations and in an emergency role for example during disruption-causing extreme weather. This positioning is key when considering the Council’s role as a category 1 respondent under the Civil Contingencies Act during local emergencies.
- 1.3 Customer Services already gathers valuable intelligence on customer and business contacts however investment in more appropriately focussed IT would enhance the capability and provide data to generate more powerful preventative systems. Helping a citizen who indicates a potential care need to access a safe, locality based alternative that keeps them out of the care system is a valuable preventative. Commissioning a unified public sector service that brings together key partners and which would provide a front door to all appropriate partner organisations, sharing costs, data and systems and affording a more co-ordinated service approach might give much larger preventions and savings and reflect the larger picture of a more integrated approach to health and social care. There are

early indications, particularly from the Clinical Commissioning Group, that such an approach would be supported.

- 1.4 Therefore, the considerations around the customer services function are firstly whether a “single front door” approach into Council services is desirable as opposed to a more “fragmented” approach whereby each Council service handles customer contact independently. Secondly, given the potential for wider savings, whether a unified public sector approach to facilitate this is appropriate.
- 1.5 The recommendations made in this report do not impact upon the recommendations being made in the ‘Redesigning Shropshire Council’s library service and Customer Service Points’ report to Cabinet (14/10/15) relating to the locality commissioning of the smaller Customer Service Points.

2: Recommendations:

Members are requested to:

- A Consider the report and the points raised on the “single front door” approach to Customer Services and the options for future delivery.
- B Grant approval to continue exploring the potential of commissioning a unified service across the public sector by working more closely with the CCG and other interested public sector partners.
- C 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 Directors of Children’s Services and Adult Social Care, to make any further decisions on service delivery.

3: Background: Single Point of Access approach

- 3.1 From a business point of view, a single dedicated point of access for customer contact has advantages translatable to the needs of a commissioning council. These advantages include:
 - A. Early needs identification and intervention by multi-skilled advisers looking deeper than the business transaction. There are numerous examples of valuable preventative interventions being identified as a result.
 - B. The impact of forthcoming welfare reforms will become clearer later in the year and reductions in benefits will have a wide effect on Shropshire’s citizens. Placing the Welfare Reform function, the associated crisis funding and partnership working solutions within Customer Services reaches the widest possible audience at the earliest possible occasion and adds resilience to the ability to contain crisis needs at that initial contact point.

- C. A single point of access provides contact with a managed, appropriately trained and multi skilled adviser whose approach and handling becomes the customer's reflection of the organisation.
- D. Economies of scale: multi skilled advisers deal with all needs across different council services, in most cases saving the customer money by meeting their needs in that one contact. High volumes of contact can be handled.
- E. Specialist advisers such as those handling adult and child concerns and Adult Social Care contacts achieve savings for back office businesses with greater organisational savings arising from this early identification and prevention. Risks arising from such sensitive contacts are appropriately and safely managed with statutory responsibility for safeguarding, and OFSTED requirements, satisfactorily met.
- F. Automatic filtering and intelligent triage ensure enquiries are correctly directed. This approach will allow the engineering of greater customer self-service for high volume low impact calls.
- G. Placing web design and development together with innovative use of social media and new streams of contact within the customer services function enables co-design of our future transactional channels with customer facing teams working as a unit to design, develop and ultimately direct customers to the more cost effective and convenient channels of the future.
- H. Sophisticated customer handling systems will allow the capture of a single view of the customer, giving detailed statistical data on both the customer and the demand on businesses and identifying failure demand so that this can be managed. These tools aid commissioning. Statistical trends can be analysed and predictions can fuel further preventative measures.
- I. Single point customer contact affords opportunity for maximum resolution at first point of contact with appropriate reduction of back office functions allowing their refocussing on specialist work areas. In many cases, there are cost implications of professional grades handling calls which, with intelligent triage by lower paid front line staff, become avoidable.
- J. One place through which to co-ordinate a rapid response where emergency, urgent and sensitive or ad-hoc provision needs to be implemented. This is especially advantageous where issues have to be handled at short notice, whether this is around fulfilling the needs of a commissioning council or to meet need arising from local emergency or unexpected demand such as during adverse weather or road conditions.
- K. Resolution of need at the first point of contact is currently mixed, some functions being fully met by Customer Services whilst others, notably Council Tax enquiries, are still channelled to the back office via Customer Management systems.

4 The fragmented approach:

- 4.1 The alternative to a single portal is a fragmented approach where individual services take responsibility for their own customer contact. Some services express the intention to do this whilst others are seeking to transfer entire fulfilment into the Customer Services operation.
- 4.2 There is statistical evidence of customers continuing to contact customer services in large numbers where services have moved out of the council structure. Changing the culture takes time and the expense of handling customer enquiries continues and requires managing.
- 4.3 A fragmented approach would require some customers to make multiple contacts which may be beyond the capability of the more vulnerable. Economies of scale are lost, in particular the ability of a skilled adviser to identify and fulfil more than one customer need. Statistical customer data in one strategic place, supporting commissioning may be diluted across multiple systems and rely on the services themselves to provide this data. In a “partial state” where some services take back responsibility for contact whilst others do not, there is risk of reaching a tipping point where those contacts remaining with Customer Services cease to make it a viable business. The current situation is that not all services have customer telephone calls taken via Customer Services whereas the majority rely on provision of their face to face contact.
- 4.4 Should individual services adopt a purely transactional approach to customer contact the potential to identify other wider needs, of key value to prevention, are lost.

5 Risk assessment and opportunities appraisal:

- 5.1 The following high level risks have been identified around the functionality of the Council’s Customer Service function
 - A. The statutory requirements of Section 11 of the Children’s Act with regards to the safeguarding and promotion of the welfare of children must be guaranteed and robust systems need to be put in place by any alternative provider to meet the requirements of Ofsted inspections. Safeguarding liability remains with the Council.
 - B. Clarity is needed around the governance of continuing use by any externalised operation of the Care First system, Northgate benefits system, provision of Universal Credit information from Jobcentre Plus and the extraction and updating of customer databases via the Council Tax system.
 - C. DBS checks (previously CRB) need to be in place for appropriate staff.
 - D. Service fragmentation with loss of flexibility within the workforce may compromise the ability to provide rapid response and particularly around the Council’s ability to provide a one-place response in the event of local emergency.

- E. Continuing use of the current supporting IT infrastructure system will require significant levels of financial investment in updating and maintenance.
- F. Appropriate financial and banking processes will be required to facilitate the £3.1million income serviced via Customer Services.
- G. The governance and arrangements for taking payments on behalf of third parties requires clear mapping and definition.
- H. Robust agreements with IT support services need to be in place to guarantee vital system continuity.
- I. Sufficiently flexible and affordable accommodation suitable for contact centre operations is needed beyond 2016 when the current premises must be vacated.
- J. The health and safety needs of face to face staff dealing with increasingly challenging customer need are becoming more high profile and sufficiently strong periodic risk assessment, staff training and support is required together with appropriate insurances.
- K. Consideration needs to be given to consultation with the public, staff and stakeholders on any proposal to transfer the customer services function. Sufficient time will need to be allowed to undertake any consultation and for the outcomes to be presented as part of any future decision making process.

5.2 The Better Care Fund (formerly the Integrated Transformation Fund), announced in 2013, represented an opportunity for a shared plan covering health and social care activity and expenditure, bringing together NHS and Local Government resources and allowing their redirection into shared activities and programmes delivering better outcomes for individuals. Such closer working has raised interest within CCG around the possibility of commissioning a unified customer service approach across the public sector and there are now opportunities to explore this further.

5.3 As well as immediate opportunities to reduce costs through shared accommodation and use of systems, there is potential to increase resilience, provide greater opportunities around 24 hour provision, significantly increase the Council's emergency response capability alongside complimentary organisations that strengthen our preventative capacity and still afford a single, co-ordinated front end approach to services through which valuable data could be channelled and gathered.

6 Financial implications

The future delivery of the Customer Services function is part of a wider organisational restructure that will enable substantial savings to be made and contribute to the overall savings target required.

7 Methodology

7.1 In compiling this paper, stakeholders were asked about what they valued from the current service and what they felt was required of a service going forward. The replies are incorporated into the advantages/disadvantages of the options that follow but in summary, stakeholders:

1. Value highly the current focus on Council and their own business needs, particularly the ability to respond at short notice over which they feel they have a direct influence when needed. "It feels like an extension of our business" is a fair summary.
2. Valued the efficient processes and management adopted by Customer Services and the ordered and controlled way in which demand is handled and data gathered.
3. Express concerns over any potential loss of that direct control or responsiveness. For some, the possibility of losing this influence is sufficient for them to consider removing their business. All saw potential for conflict of interest should commercial aspirations or pressures compete with the current focus and would require careful management of this aspect.
4. Express support for the single point of contact approach together with resolution of customer need at that single point where this is viable.
5. Independently suggested a wider public sector working arrangement would enhance preventative capacity.

7.2 Of particular interest were the comments regarding the communication skills of Customer Services staff when dealing with people who have complex problems. Notably, one Service Manager remarked that speaking to professionals can feel scary and can put people off and this was not the case when speaking to Customer Service staff. The manager felt there was some learning they could take from the conversational approach taken.

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

Agenda item 7, Cabinet May 2015: Future Delivery of Customer Services In Shropshire pages 19 to 26.

Cabinet Member : Mike Owen

Local Member

Appendices: Appendix 1 – Delivery options

Appendix 1: Delivery options:

Option A: Directly managed provision within commissioning council

Pros:

For Customers, Stakeholders and Council:

- Strong elected member support and influence.
- Services, outcomes and priorities concentrate on Council needs. Flexible to service changes.
- Although Council-side, opportunities already exist to work more closely with other public sector bodies, initially through mutually reducing costs and adding value for the taxpayer by sharing accommodation and telephony. There would be options to gradually progress towards wider joint or partnership working or to hold at a point to suit individual parties.
- Real time liaison between service and stakeholders in addition to more formal SLA account management.
- Single point of access supports data collection across all businesses, aiding commissioning.
- Identifying failure demand and capacity to reduce avoidable contact supports a commissioning Council.
- Ability for Council-centric rapid response capability in an emergency remains at no additional cost.
- Ability to instigate joined up working at the point where the customer touches the organisation and need is first identified.
- Intelligent triage such as FPOC saves money and creates efficiencies elsewhere.
- Lengthier, more involved but high value preventative contacts are affordable and manageable because flexibility within the staff resource absorbs contact volumes across the board. Isolating these calls as a stand-alone function would significantly increase their delivery costs.
- Integration of welfare reform and crisis funds sits naturally as a preventative operations. Safeguarding of vulnerable adults and children is supported. Crisis funding, although limited, is in the right place at the right time.
- Intelligent triage, applied to all strategically important businesses with maximum resolution at first point of contact, frees up professional to concentrate on their immediate duties.
- More cost effective IT (Customer Relationship Management) systems, co-designed between developers and public sector users are being pursued. Implementation would mean savings in running costs in comparison to current systems, would replace current end of life electronic forms and gather strategically important statistical data.
- Less risk of conflict of interest between high value but complex preventative calls and low impact but simple commercially viable calls.
- Affords a single, co-ordinated front end approach towards contact channel shift and future contact needs.
- Extended service could be offered to all Town Council and Housing Association contacts with appropriate buy in.

- An excellent, skilled and committed staff resource who buy into the current position, morale is very high.
- Staff goodwill is also high and affords a flexibility that cannot be contractualised.
- More possibility of jobs remaining in Shropshire

For funding opportunities, future development and market position:

- Ability to trade as a high quality service with other public sector bodies, including Local Authorities, FE Colleges and Housing Associations is already enabled via the Local Authority (Goods and Services Act) 1970.

Risks

- The statutory requirements of Section 11 of the Children's Act with regards to the safeguarding and promotion of the welfare of children and the systems required to meet the requirements of Ofsted inspections remain with the Council and are met within the present set up.

Cons:

For customers, stakeholders and council:

- Interdependence and staff flexibility potentially means remaining services are vulnerable to failure should selected services be isolated for external delivery.
- Not all businesses buy into Customer Services or allow appropriate resolution of their business needs at first point of contact, they retain delivery of parts of their business function that could be dealt with differently. There is not as yet one gateway.

For future development, funding:

- Investment in IT systems is required either to update and maintain via third party host or to replace with suitable cost-effective alternatives.

Risks:

- Possibility of competing political or budget priorities.
- DBS checks need to be in place for appropriate staff.
- Current telephony system is capable but has increased expense and diminished levels of direct operational control. Interdependence on IT teams is essential for business continuity.
- Sufficiently flexible and affordable accommodation suitable for contact centre operations is needed beyond 2016 when the current premises must be vacated.
- The health and safety needs of face to face staff or commissioned partners dealing with increasingly challenging customer need are becoming more high profile and sufficiently strong periodic risk assessment, staff training and support is required together with appropriate insurances.

Governance:

None – current governance is robust

Option B: Tendered Service

Pros:
For Customer, Stakeholders and Council
<ul style="list-style-type: none">• Experienced commercial providers already positioned to take on services offering reduction in running costs through economies of scale and existing business practices.• Competitive bidding processes reinforce value for money.• IT and infrastructure are already in place.• No direct management responsibility.• Longer term contracts may afford more cost stability.
Cons:
For Council
<ul style="list-style-type: none">• Set up costs may be high.
For Customer, Stakeholders and Council
<ul style="list-style-type: none">• Senior Team at SC express concern over potential for loss of control in key areas like adults and children if the service is contracted out. The First Point of Contact (FPOC) service is a critical service and business leads consider it crucial that this is not placed against commercial interest.• Loss of control or responsiveness in FPOC is seen as a large risk to the public and the Council.• Risk of jobs leaving Shropshire with resulting loss of local focus and expertise.• Contract may lack the required flexibility and would need to specify requirements carefully to ensure the current advantages particularly around control, short-notice responsiveness and safeguarding are maintained. Issue resolution in real time may be less responsive or at cost.• Possibility that high volume, low impact calls are commercially more attractive to businesses than the longer more complex preventative calls which benefit the Council resulting in less innovation and investment in prevention, less identification of, and containment of, underlying need.• Possible lack of commercial interest in taking on these longer low volume-high impact preventative calls isolates them and increases the cost of delivering them to the required standards and safeguarding guarantees.• Possible lack of commercial interest in face to face preventative activities for more vulnerable citizens.• The ability to use early customer contacts and warning signs to identify risks and implement prevention is potentially lost.• There is evidence that some Councils are receiving adverse publicity on current outsourcing contracts with reports of additional costs, failure to make savings and loss of control and democratic accountability. Reports suggest that a number of Councils are ending contracts early and buying services back in.
Risks

- Increased risk of focussing on profit at the expense of service. Service accountability remains with Shropshire Council. Contract will need to carefully specify requirements to ensure current advantages are maintained.
- Responsibilities under Section 11 of the Children’s Act with regards to the safeguarding and promotion of the welfare of children and the systems required to meet the requirements of Ofsted inspections remain with the council.
- Appropriate and timeous financial and banking processes will be required to facilitate the £3.1 million income serviced via Customer Services.
- DBS checks need to be in place for appropriate staff.

Governance

- Access to systems, particularly Care First upon which preventative calls depend, needs clarification.

Option C Public Sector Partnership:

Pros:

For Customer, Stakeholder and Council

- Partnership, joint working or integration is the long-term aim which could be reached in considered stages, where appropriate and where workable. Initially, savings can be made via co-location and the sharing of accommodation and telephony costs before considering synergies and closer integration, with these savings being felt across the wider public sector.
- Appropriate partnerships would strengthen the provision rather than dilute and the retention of a direct controlling influence would reassure stakeholders.
- Service resilience may be increased, providing opportunities for 24 hour provision.
- Real time issue resolution achievable via buy-in as major stakeholder.
- The right delivery partner(s) could provide services that are complimentary to a commissioning Council and other public sector organisations both within and outside Shropshire.
- The right delivery partner(s) could significantly increase the scope for preventative capabilities across more than one public service
- The right delivery partner could significantly increase emergency response capability
- Possibility of sharing/joint investment in face to face services for more vulnerable citizens.
- Single point of access continues thus supporting data collection across all businesses, aiding commissioning.
- Continuing ability to identify failure demand and capacity to reduce avoidable contact supports a commissioning Council.
- Ability for Council-centric rapid response capability remains at no additional cost and may be broadened to include other key responders.

- Ability to instigate joined up working at the point where the customer touches the organisation and need is first identified.
- Intelligent triage similar to FPOC saves money and creates efficiencies elsewhere.
- Lengthier, more involved but high value preventative contacts remain affordable and manageable because flexibility within the staff resource absorbs contact volumes across the board.
- Less risk of conflict of interest between high value but complex preventative calls and low impact but simple commercially viable calls.
- Affords a single, co-ordinated front end approach towards contact channel shift and future contact needs.
- Extended service could be offered to all Town Council and Housing Association contacts with appropriate buy in.
- An excellent, skilled and committed staff resource who buy into the current position, morale is very high.
- Staff goodwill is also high and affords a flexibility that cannot be contracted
- More possibility of jobs remaining in Shropshire

For funding, future development and market position

- Potential to save money by bringing together the right services could outweigh any potential to make money through trading.
- There is opportunity for inter-agency trading, for example consultancy for intelligent triage functions, from this status.
- Telephony and IT infrastructure may already be in place with the opportunity for future sharing of development costs.
- There should be greater opportunity for operational efficiencies.
- Scope for cross service efficiencies, potentially large scale

Governance

- Expectation is that public sector partners will have robust data and systems governance in place.
- Data sharing opportunities may exist subject to sufficiently robust protocols, adding strength across the public sector

Cons:

For customer, stakeholder and Council

- Possibility of loss of direct control, loss of council-centric focus, loss of real time responsiveness. Need to identify and mitigate within agreements.
- Possibility of loss of influence within a partnership provision, possibility of conflicting areas of business need and differing priorities. Need to identify and mitigate within agreements to ensure that this is strengthening and not dilution away from the needs of the council and Shropshire citizens.

Funding, future development and market position

- Telephony and IT infrastructure might not be fit for purpose.
- Potential difficulty in unifying staff terms and conditions.

Governance

- Appropriate data sharing protocols that would enable greater strength within the public sector may be complex and difficult to agree.
- Ability to share data from source systems such as Council Tax system on which any Customer Management System relies and from the Northgate Benefits system needs to be clarified.

Risks

- Service accountability remains with Shropshire Council. Contract will need to carefully specify requirements to ensure current advantages are maintained.
- Responsibilities under Section 11 of the Children's Act with regards to the safeguarding and promotion of the welfare of children and the systems required to meet the requirements of Ofsted inspections remain with the council.
- Appropriate and timeous financial and banking processes will be required to facilitate the £3.1 million income serviced via Customer Services.
- Business continuity dependent on robust agreements with IT support services – limited operational control
- Sufficiently flexible and affordable accommodation suitable for contact centre operations is needed beyond 2016 when the current premises may have to be vacated.
- DBS checks need to be in place for appropriate staff.

Option D: Council influenced arm's length external organisation (ALEO),

Pros:

For Customer, Stakeholder and Council

- Remains Council influenced, real time issue resolution more probable via buy-in as major stakeholder. Services, outcomes and priorities concentrate on Council needs subject to contract
- Ability for Council-centric rapid response capability remains subject to contract.
- Scope for more independent decision making could afford more responsiveness in some areas.
- Single point of access supports data collection across all businesses, aiding commissioning.
- Identifying failure demand and capacity to reduce avoidable contact supports a commissioning Council.
- Intelligent triage such as FPOC saves money and creates efficiencies elsewhere
- Extended service could be offered to all Town Council and Housing Association contacts with appropriate buy in.
- More possibility of jobs remaining in Shropshire

For funding, Future Development and Market Position

- Opens up the additional possibility for trading with private companies in addition to pursuing partnership working and extension of the service to include other public sector partners and consumers.
- Opportunity to attract external investment.
- More flexibility to set terms and conditions for staff Potential cost and business rates/tax advantages.

Cons:

Customer, Stakeholder and Council

- Senior Team at SC express concern over potential for loss of control in key areas like adults and children if the service is contracted out. The First Point of Contact (FPOC) service is a critical service and business leads consider it crucial that this is not placed against commercial interest.
- Loss of control or responsiveness in FPOC is seen as a large risk to the public and the Council.
- Failure to answer contacts from very vulnerable citizens could damage the Council's reputation and ultimately could pose a risk to life. Legal responsibilities remain with Shropshire Council.
- May lose links and influence with other Council services.
- Response to emergencies, if not clearly specified within contracts may be compromised or be at cost.
- May lose real time responsiveness to urgent business needs or achieve only with additional cost. Need to identify and mitigate within agreements
- The requirement to trade raises the possibility of conflict of interest over generating profit before service provision.
- Ability to trade with public bodies already exists council side under provisions of LA goods and services act.
- Benefit to the Council, based on a single customer portal and gathering intelligence on strategically important functions requires whole service operation as now.
- Risk that may wish to concentrate on isolated parts of business. Possible lack of commercial interest in face to face and welfare reform preventative activities for more vulnerable citizens would fragment the preventative capability.

Funding, future development and market position

- Potential to make income through trading may be limited when compared to opportunities to save money afforded by other options.
- Knowledge of an ALEO and the status with which it is viewed by other potential external partners requires investigation as might their appetite to partner with an organisation that may be perceived as being outside Shropshire Council.
- Saturated and highly competitive private call centre market makes income from high volume low impact calls potentially difficult to achieve.

- Saturated and highly competitive private web design market make profits potentially difficult to achieve Tax advantages run the risk of being withdrawn.
- The IT option currently in place requires a third party partner for development and this carries high costs. System development and licence costs are also higher end. The appetite to consider suitable alternatives needs to be established
- Costs of providing just Adult Social Care and adult and child concerns calls is high when taken in isolation. Current flexibility within the workforce make this viable at present. As a stand-alone service, additional resources would be required which needs to be factored in. The service is effectively “subsidised” by resource flexibility and other call management factors.

Governance

- Ability to share data from source systems such as Council Tax system on which any Customer Management System relies and from the Northgate Benefits system needs to be clarified.

Risks

- Extending into the market to secure new sources of income and trading of services provided may bring associated risks around obligations and capacity. There are examples of Councils having to provide unplanned financial support or having to “buy back” services in extreme cases.
- Accountability remains with Shropshire Council. Contract will need to carefully specify requirements to ensure current advantages are maintained.
- Responsibilities under Section 11 of the Children’s Act with regards to the safeguarding and promotion of the welfare of children and the systems required to meet the requirements of Ofsted inspections remain with the council.
- Appropriate and timeous financial and banking processes will be required to facilitate the £3.1 million income serviced via Customer Services.
- Current telephony system is capable but has increased expense and diminished levels of direct operational control. Interdependence on IT teams is essential for business continuity
- Ability to share data from source systems such as Council Tax system on which any Customer Management System relies and from the Northgate Benefits system needs to be clarified and may not be possible.
- Sufficiently flexible and affordable accommodation suitable for contact centre operations is needed beyond 2016 when the current premises may have to be vacated.
- DBS checks need to be in place for appropriate staff.