

PART 1 - PUBLIC

Decision Maker: Executive

Date: 28th November 2012

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - CUSTOMER SERVICES**

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Ward: Borough Wide

1. REASON FOR REPORT

This paper follows on from the Policy/Budget review report Customer Contact Centre – options appraisal report (October 2011), and provides a summary of options available to the council regarding the future provision of Customer Services, including;

- a. Bromley Knowledge (web services)
- b. Reception Services (initial face to face contact)
- c. Contact Centre (phone and e-mails)

Strategies have been successfully implemented to reduce the operating costs of Customer Services whilst improving access through developing electronic channels for information and transactions. This approach has achieved a £185K budget reduction in this financial year however the reality is that the service still has a further full year budget reduction of £150K by 2014/15 and there is not enough capacity or time to make the changes required to meet those targets. Officers now consider that more radical options, which may include outsourcing the service, have to be considered.

This report provides information in respect of these options and seeks members directions in terms of the portfolio of services to be included, and any adjustment to the current service standards (opening hours, response times etc) which may provide additional savings.

2. RECOMMENDATION(S)

2.1 Members are recommended to:

- Authorise the Director of Resources to commence negotiations with Capita and Liberata for the portfolio of current services and the services identified in Appendix 1.3
- Agree that the Director seeks prices based on:
 1. a contract based on current service standards and reduced standards
 2. either locally or remotely delivered services OR a phased combination of both

Corporate Policy

1. Policy Status: Existing policy. The options set out in this report support current policy and corporate operating principles by seeking to deliver customer services in a more efficient way to deliver savings through a commissioning approach.
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Customer Services
 4. Total current budget for this head: £1.1M (controllable) budget provision for direct customer service costs
 5. Source of funding: Revenue Budget
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Staff

1. Number of staff (current and additional): 43 staff (38.82 FTE) plus 4 casuals
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 284,000 pa. All residents, customers and others who contact the Council by any means.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 Background Information

In some other local authorities, savings in Customer Services is now being sought by engaging private providers to deliver more cost efficient services. This is advocated by the conclusion of an internal Policy/Budget review report 'The Customer Contact Centre – options appraisal report' which was considered by Improvement and Efficiency Sub-Committee in October 2011. The report explored various ways to deliver savings including;

- Sharing management with another local authority,
- Shared (full) service with the authority, and
- External provision (outsourcing)

As well as research and analytical work the review also included exploratory discussions with three private sector firms who already supply similar services in the local government market; who provided indicative and significant savings estimates based on their views as to how the service(s) could be remodelled and developed to become more efficient.

Liberata who provide a range of services to the council also undertook a thorough and comprehensive customer services health check to fully understand the operations of customer services in Bromley and made observations and suggestions for improving services .

The following is an extract from the last report on Customer Services which passed through I&E.

“Following presentation of the summarising report the I&E Sub Committee gave authority to investigate the potential financial benefit of transferring the contact centre services to a third party supplier.

The Director is first pursuing internal service changes to deliver the agreed saving of £130k with a view to potentially realising further savings (an additional £200-250k indicated in the AP&F review) by changing the service delivery to a shared service or outsourced model in the future.”

Officers have continued to make further improvements internally and a number of service and budget changes have reduced the baseline budget by £185K for 2012/13. Expectations of any further savings should therefore be adjusted in recognition of these baseline changes.

Customer Services have been working towards migration of further services into the Contact Centre, and enabling channel shift through providing a range of self service options for customers through the corporate web site and telephony system. Some examples of contacts moved to self service as this key part of the Channel Shift Strategy are set out below:

Function	Volume July – September 12'	Comment
Voice Recognition	136,955	
Fix my Street	2605	(year to date)
Missed Bin Forms	1554	

Whilst continuing to make further changes might be desirable the reality is that the service still has to make further savings of £150K by 2014/15 and there is no longer change and business analysis capacity within the organisation to negotiate service and organisational changes, or script and implement the necessary technical developments in time to meet those targets. Capital funding that was allocated for web development will be spent by the end of this financial year.

Based on the above and the resources available officers consider the only viable option now to achieve the savings target is to now move on with a more radical approach including considering outsourcing the service.

3.2 Options for Future Provision

There are different approaches which could be taken to the service, such as retaining the service in-house and exploring the potential to make efficiencies or to commence negotiations with Capita and Liberata around the future provision of the service. The advantages and disadvantages of all possible options including those not recommended by officers are shown in the table below:-

	Potential Advantages	Potential Issues
LBB (retain service in house)	<ul style="list-style-type: none"> • LBB retain 1st point of contact • No disruption – to current staff or processes • Existing management and operational relationships with services retained. 	<ul style="list-style-type: none"> • Limited capacity & resources to develop service • Lower price indications means VFM not being fully realised
Liberata	<ul style="list-style-type: none"> • Contract allows for inclusion • Already share reception space • Health check means Liberata have some understanding of service and opportunities • Recent transfer of payments • Contract management arrangements already in place • Already established in the council for providing customer service requirements • One of the main service providers in the local government market • Under contract to Bromley to provide a range of services and incorporates a degree of flexibility on approach to be taken of inclusion of additional services 	<ul style="list-style-type: none"> • Some additional savings rely on moving calls away from Bromley • Over reliance on one supplier? • Possible issues if two different suppliers run our ICT systems?
Capita	<ul style="list-style-type: none"> • Lambeth’s framework agreement allows inclusion. • Already run Bromley’s ICT – so could take additional systems on. 	<ul style="list-style-type: none"> • Its not Bromley’s contract. • Some additional savings rely on moving calls away from Bromley • Possible issues if two contractors share a single reception area

Retain the service 'as is' in house and continue to try to make efficiency savings

This is not an option recommended by officers as the level of efficiencies that could be realised are limited and the service would need considerable investment to make the level of changes required to ensure it is fit for purpose in the future.

Outsourcing Options

➤ **Transfer to a provider under existing contractual arrangements**

The options appraisal review undertaken by officers concluded that the best overall approach would be to transfer the service to an external provider under existing contractual arrangements (1) on an 'as is' basis with additional service migrations on a phased approach, as the most pragmatic, low cost and quickest solution.

Liberata

The contractual arrangement with Liberata for Exchequer services which began 1st April 2011 and lasts for 7 years provides for them to manage additional services, including customer services and so making a transfer through this approach would be quick and pragmatic enabling any savings to be taken as early as possible. Members may recall that this arrangement has recently been used to transfer the payments service over to them from the in house Finance team. Officers are initiating exploratory discussions with Liberata.

Officers commissioned some work from Liberata under the existing Exchequer contract to review opportunities around future customer service provision by way of a health check on the current in-house arrangements in 2011, as part of their work to evaluate the potential for savings. This indicated that there would be significant opportunities for savings and service improvements that could be achieved, through service redesign and more use of IT etc.

Capita

Since that time, during research into how other authorities are addressing the same agenda, we have found that Capita (who provide Bromley's ICT services currently) could also potentially provide services on a similar basis under an existing framework agreement led by the London Borough of Lambeth. On this basis it is suggested that officers also explore options through discussions with Capita.

- Undertake a full tendering exercise

The option to undertake a full tender exercise would take between 12 and 18 months to complete and therefore this would not achieve the savings that have been assumed in the budget for 2013/14. Liberata and Capita are both major players in the Customer services market and would be strong contenders in any event..

- Include the service in a larger package of services as part of a wider (council) commissioning implementation

The wider commissioning approach is still not fully determined and given that officers have always looked to outsource services where appropriate and beneficial, believe that this service is best linked into a specialist customer service provider, so are not recommending this approach.

3.3 Service Specification and Options

Officers are preparing a detailed service specification based on existing service provision, and building in the strategic direction, e.g. channel shift efficiency, however there are some options for members' consideration in respect of the scope and potential route(s) to be taken towards delivering the desired outcomes (significant and rapid savings) in respect of Customer Contact Services. Specifically there is a need to firm up on what portfolio of services and standards should be included in our customer service contract.

This paper outlines those options and seeks Members' approval. These are detailed in Appendix 1.3

3.4 Portfolio of Services

For several years now the customer services strategy has been to consolidate as many services as possible into customer services and work towards a 'single point of contact' model, taking scale and channel efficiencies along the way. Incremental progress has been made in bringing more services into the customer contact service but a number still remain outside and are managed independently by their respective departments and teams (these are summarised in the appendix 1 – Para 3). Most of these areas fall short of the current corporate service target of answering 80% calls within 30 seconds.

The recommended approach is consistent with the existing strategy, and would facilitate future migration of these additional services. This clear direction of travel would provide potential providers with some certainty about the future requirements and enable them to price accordingly as well as provide the widest scope for making efficiencies. The additional services could be included in the specification so that, after taking over the current service 'as is' the provider can evaluate the business case for each additional service and migrate them over on a prioritised and phased basis to deliver further savings as those transfers are completed. This provides for the possibility of reaching a 'shared gain' agreement as an additional incentive for both the provider and council.

Web Services

The council needs to take a view as to whether the web service should be part of the outsourcing proposal and there are a number of advantages and disadvantages to this which is explained in the paragraphs below.

- Bromley’s website is not a single entity that can easily be ran separately from the basis service. There is a complex network of critical technical inter-dependencies that underpin the customer experience, automates processes and supports back office systems, only some of these are within the control of the web team. For example the development of a transactional service to online is complex, requiring web form, content and user journey development from the web team, integration between web forms, address database look-up, CRM and other back office or external systems from IS, and an element of business process change from the service itself.
- Research undertaken by Officers has found few examples of other local authorities who have outsourced Customer Services as a package with Web Services. This could be mainly due to the complexities of the service and technical dependencies as demonstrated in Appendix 2.
- Since late 2010 the web team have moved away from devolved content management towards centralising web editing and publishing to unify a house style, build broader cross-department information associations, eliminate a silo focussed approach and safeguard well-written web content. Since this change, a large proportion of the former network of 76 departmental content editors no longer exists and the resource is no longer available within departments.

Officers have concluded that at this stage it is recommended that this being included in the package of services.

3.5 Service Standards

As part of this year’s annual budget process all services have been subjected to a ‘Baseline Review’ to open up all aspects of services to scrutiny with a view to identifying potential ways to take additional savings. The recent review of by the Head of Customer Service concluded that further savings could be achieved by reducing service standards and availability:

Standard	Current Standard	Indicative Reduced Service Levels
Answering ‘phone calls	80% within 30 seconds	50% within 1 minute
Opening Times (A)	08:30 - 17:00	09:00 – 16:00
Opening Times (B) see note		10:00 – 15:00

Making further reductions (B) in opening hours to 10:00am – 3:00pm will achieve a 5 hour working day for staff which maximises staff utilisation and cost efficiency, provided all staff are employed on a part time basis.

Subject to members’ approval, it is proposed to seek prices from both providers on the basis of both options in the table above as it may be useful to include flexibility around this in our discussion with the providers if it enables further efficiencies.

3.6 Service Location

All staff within the current service are based in Bromley and the options appraisal report identified that potential providers were able to provide the same level of service at a reduced cost on that basis. However both Liberata and Capita have contact centre operations based elsewhere in the UK, and if it were acceptable to Bromley, they could operate non-customer facing functions such as such as telephone calls, e-mail and web services from elsewhere in the UK with the potential for additional savings in direct costs. Other considerations such as whether any transfer should be phased, additional severance costs, local employment, etc. might also need consideration. Careful consideration would also need to be given on whether this could have a detrimental impact on service levels and costs in retained service areas – which are issues raised in the consultation

70% of the current departmental staff members live within the Borough of Bromley, the remaining staff members live close to the border of the borough.

Subject to member approval, it is proposed to seek costs for both a locally provided service and a re-located model or a phased combination of both.

3.7 Specialist Client Unit

Should members decide to outsource the service it will be necessary to retain a small specialist client unit, which has responsibility for issues such as the customer service, channel shift and web development strategies, contract management and quality assurance/control. Providing an essential operational link between the contractor and all services to ensure processes and quality are maintained is also likely to be a key requirement to ensure high customer satisfaction.

The Specialist Client unit will be retained within LBB and the model for this will be dependant on the outcome of negotiations with the selected Provider and will be included in a future report. See Appendix 2 for a proposed diagram of the role envisaged. There are already client units associated with the management of Exchequer Services and IT services and therefore any specialist staff will sit within one of these teams.

3.8 Change Management

Due to the nature of the services currently within Customer Services it will be necessary to include in the specification document clear wording in respect of change management. This will ensure that any changes or amendments to the current service processes and information do not incur any unpredictable large costs for the organisation. Appropriate arrangements will be included in the final documentation.

3.9 Strategic Direction

Strategically we will need to structure the contract to create incentives for both the provider and Bromley for transformation to deliver continuing cost reduction over the lifecycle of the contract and the development of channel shift towards cheaper and accessible forms of communication, at the same time resolving calls at first point of contact and maintaining acceptable levels of customer satisfaction.

It is suggested that including these as explicit requirements, together with the portfolio of additional services and negotiating a 'risk and reward' financial agreement with the contractor whereby we both have an interest in making sure that the service develops in the most cost effective way.

3.10 Other Implications or Issues

3.11 Property

Outsourcing Customer Services will not have an immediate impact on property unless a decision is made to relocate some elements of the Customer Service function to other locations in the UK, as covered above. If a decision is made to move the service then this will have a direct impact on property by reducing the accommodation needs utilised by Customer Services in Bromley.

3.12 Information Systems

Following consultation between the Heads of ICT and Customer Services it has been decided that the responsibility for the essential ICT systems used within Customer Services should be transferred to the provider. It will be for the Provider to make a decision as to whether the systems are decommissioned and replaced.

The systems in scope are:

- CRM Customer Database (up to AWI connector)*
- Stopford Appointments
- Solidus Telephony
- Netcall Voice Recognition
- QMatic Queue Management
- Jadu Web Content Management System
- Xforms Online form creator
- Google GSA Search application
- BlueSky Web Hosting
- FixMyStreet Online streets and parks reporting system

* waste services access and requirements as users need to be provided

4. POLICY IMPLICATIONS

These proposals are consistent with existing policy:

BBB Priority - Excellent Council

- Make Customer Services more accessible and deliver continuing cost efficiencies
- Continue to work effectively with partners to deliver local priorities for local people

Corporate Operating Principles

- Reduce the overall need to contact the Council. Where contact is necessary, we will ensure that it is accessible, convenient, efficient and responsive to demand
- A commissioning organisation determining who is best placed to deliver high quality services based on local priorities and value for money principles

5. FINANCIAL IMPLICATIONS

5.1 The 2013/14 budget assumes savings of over £100k and it is anticipated that outsourcing this service will deliver in excess of that as well as allowing the council to make service improvements. It will also provide more management capacity to deal with the strategic development of the service and the councils Corporate Operating Principles.

5.2 There are options which may also affect pricing and Members' views are being sought on these.

5.3 A detailed report will be brought back to members in the early part of the new year, to confirm the outcome and financial implications of the recommendations in this report.

6. LEGAL IMPLICATIONS

6.1 None directly arising from this report. Any that arise, for example in terms of contractual matters or staffing issues will be included in future reports as appropriate.

7. PERSONNEL IMPLICATIONS

- 7.1. Consultation with staff and their representatives on the options being considered for the future of Customer Services commenced on 16 October and concluded on 19 November. The outcome of this consultation will be reported verbally to Members. As more detailed proposals are developed these will be the subject of further consultation with them.
- 7.2. Any staffing implications arising from the options in this report will need to be carefully planned for and managed in accordance with the policies and procedures and with due regard for the existing framework of employment law.
- 7.2. Should the Executive agree to the option of outsourcing of Customer Services to an external provider the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) would apply to the 47 London Borough of Bromley employees currently engaged to provide the service. In this event the Council would commence consultation with staff, their representatives and the selected external provider to ensure that they are fully informed and consulted on the decision to transfer the undertaking and on the implications for their employment including any measures that the external provider might consider in relation to this transfer.

8. PROCUREMENT IMPLICATIONS

The Council is exploring options with two incumbent suppliers of complementary services; Liberata (revenues, benefits and exchequer services) and Capita (ICT support). Both are experienced competent providers of customer contact services. It is possible to enter into a compliant arrangement with either supplier and access the benefits of outsourcing by varying existing arrangements without recourse to an openly advertised tender process. The contract with Liberata would be the simplest contract to vary and was designed with such variations in mind. The contract with Capita partially covers requirements. Those requirements not covered by the contract, could be placed under a framework let by the London Borough of Lambeth. Initial contact has been established with Capita and Lambeth on this matter, however as Lambeth incurred significant cost in letting their framework, they are likely to seek a financial contribution should Bromley wish to make use of it. Any subsequent developments on this matter will be reported to the Executive verbally. It is likely to be a minor sum in comparison to overall contract values but will need to be considered in any options appraisal.

9. CUSTOMER PROFILE

Customer services provides the main point of contact for everyone who wishes to make contact with the council by whatever means, although, as covered in the section on Portfolio of Services, some parts of the council retain their own point of contact. The direct measurable contacts over the period August 2011 – September 2012 totalled over 800,000, of which 96% were by telephone. Of those telephone contacts 50% used the voice recognition system.

The table (Appendix 1, Para 2) sets out the contact volumes by different channels for last year:

10. STAKEHOLDER CONSULTATION

The procurement strategy, subject to members' agreement, has been determined by the combination of detailed review work to evaluate options and by the need to make savings of a specific scale (additional £150K) and within a specific timeframe (by 2014/15). The review

process included consultation with providers and the conclusions and recommendations were formulated following that engagement.

11. **OUTLINE CONTRACTING PROPOSALS & PROCUREMENT STRATEGY**

An initial outline plan setting out the main milestones is summarised below:

W/C 15/10	Initiate Staff Consultation
W/C 15/10	Initiate conversations with prospective providers (Liberata and Capita)
22/10	Draft Specification
07/11	Draft Executive Report to Directors for comment
28/11	Final report to Executive
Jan 2013	Formal decision from Members on detailed proposal
	Due Diligence – Provider
April 2013	CSC handover to Provider

Development of Tender documentation

Customer Services has an existing Business Plan with clear standards outlined which will provide a sound basis for the specification document. Any decisions affecting the current standards, i.e. baseline review decisions, will be incorporated into the specification and business plan.

The BSi – Customer Contact Centre – Requirements for Service Provision will be used in conjunction with the drafting of the specification document to ensure that it is comprehensive and detailed in terms of the service requirements.

Evaluation

The service will be sourced by varying one of two existing contracts, as opposed to entering into a new contract; therefore a standard tender evaluation process is not appropriate in this circumstance. It is intended that both companies will be provided with a specification and invited to submit detailed proposals for how they will deliver the service and their prices associated with each variant option (e.g. maintaining service levels, reduced service levels, operating from the existing LBB facilities, operating from their own facilities or operating from a mixture of locations). The detailed proposals will be evaluated in line with price / quality criteria and will form the basis of negotiations (such as is permitted within the scope of the initial contract, statute and Bromley's own Standing Orders) to identify the option offering best value for money. So far both providers have responded to a Request for Information, providing background detail on 3 reference clients for whom they currently deliver customer contact service. These will be taken up prior to the meeting of the Executive. The exact price / quality evaluation criteria will be finalised following completion of the specification and discussions with the 6 reference clients.

Non-Applicable Sections:	Sustainability/Impact assessment
Background Documents: (Access via Contact Officer)	Customer Contact Centre – options appraisal (October 2011) – Improvement & Efficiency sub committee meetings 26/10/2011/ 2/11/2011

Appendix 1

CSC – Current Model

1. Financial Information

Controllable Budget	Bromley Knowledge	Customer Service Centre	Total
Employees budget	182,650	917,130	1,099,780
Employees (FTE)	3.69	35.13	38.82

2. Current Service Volumes (August 2011 – September 2012)

Service	Call Volumes	Email Volumes	Post / Paper Volumes
Streetscene & Greenspace (excluding waste)	37,507	7,486	0
Waste **	62,000	8,000	0
Environmental Health & Trading Standards	17,718	4,659	0
Registrars	14,430	0	0
Electoral	11,365 *	325	0
Education	6,694	662	0
General Enquiries	4,706	9,188	0
Out of Hours (Contract ending Feb 2014) ***OOH Logs (EHTS), Streets and Landscapes	15,415	3,739	0
Switchboard	176,364	0	0
Voice Recognition	392,189	0	0
BSSD (Consider for later inclusion)	30,414	3,303	2,176
Blue Badges	8,547	0	3,992
Freedom Passes	2,074	0	1632
Parking	28,840	1450	0
Parking Permits	6,020	0	10,134
Receptions (face to face not inc revs & bens)	82,184		

* Increases significantly during general election

** Includes volumes for Green Garden Waste trial. This is now Borough wide.

*** Out of hours follow-up requiring input by CSC

3. Potential Future Migrations

Services
School Admissions
Planning Enquiries, Building Control, Land Charges, Trees
Housing
Environmental Services
Highways & Street Services Helpdesk
Street Lighting
Property helpdesk
Various – web based transactions

4. Current Systems – Responsibility / Maintenance

System	Maintenance / Annual Charges	Ownership / Responsibility	Other Comments
CRM	£17K per year to Optevia	Customer Services & IS	Waste Services back office system
Stopford	£1500	Customer Services	Annual maintenance charges may increase with the purchase of the course booking system (BEECHE)
Solidus	Maintenance costs currently included within Capita contract until March 2013	Customer Services	
Netcall – Voice Recognition	£14,190	Customer Services	Annual charges made up of internal / external call handling as well as missed bins system and system refinement
QMatic	Free for 1 st Year 2 nd Year onwards £6,497.53	Customer Services	
Jadu		Customer Services	
Paynet	N/A	IS	Access only
Civica	N/A	Environment	Access only
PEZ	N/A	Environment	Access only
Express	N/A	Electoral	Access only
Carefirst	N/A	IS	Access only

5. Bromley Council's approach to web management

In addition to being a portal for customer services, Bromley's website is a major communication channel for the Council. The web team works closely with communication leads across the Council to deliver campaigns, maintain the Council's image and safeguard its reputation across the web.

Over the last couple of years the role and focus of the web team has expanded from that of just information management, to include one as an agent of business change. Increasingly the team has been asked to provide online alternatives to provision or elements of service in response to budget reductions.

Recently the focus has been to make the website more transactional and encourage and enable more self service of information. A number of approaches have been adopted to help achieve this:

- Minimising customer journeys
- Encourage recreational visits to the website through events, campaigns, use of video and images etc as an opportunity to raise awareness of transactional opportunities
- Optimise the site for search engines as up to 85% of traffic comes via external search engines
- Eliminating duplication – pointing to or embedding the prime source of information rather than re-keying or re publishing
- Managing the Council's broader web presence to engage with customers where they spend their time online (social media etc)
- Centralising web editing and publishing to unify a house style, build wider cross department information associations, eliminate a silo focussed approach and safeguard well written web content.
- Investigating responsive web design rather than mobile or app based approach in response to the large increase in mobile and tablet devices accessing website

The bromley.gov website is a portal for number of satellite websites; and exchanges data with a wide range of other applications and systems both within the Council control and externally.

6. Current E_Forms (Transactional Web Forms)

In addition to web portals such as School Place Applications, Planning Permission and Mylife (Adult Social Care), the following self service alternatives have been developed to increase customer access to services.

LIVE

- Report a missed collection
- Request a recycling container
- Complaint, compliment or suggestion
- Report blue badge misuse
- Report a damaged or stolen salt bin
- Suggest an addition of a road or pavement to the winter service routes
- Register to become a snow friend
- Express your interest in the green garden waste bin collection scheme
- Application for free school meals
- Tree preservation order enquiry form
- Freedom of information/Environmental information regulations request
- Report an empty property in the borough

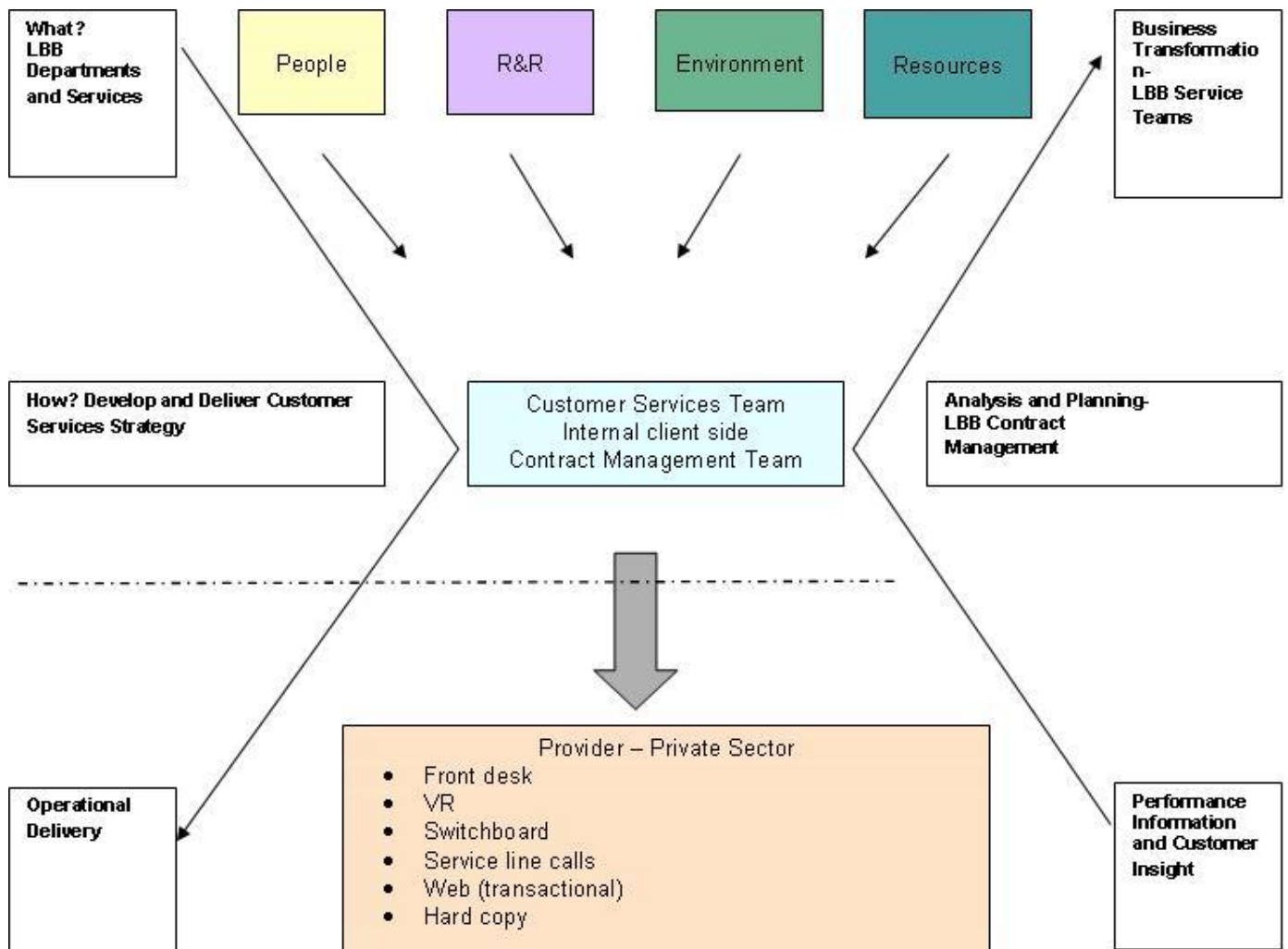
- Register your interest in Bromley Friends groups
- Street and park problem reporting, powered by FixMyStreet

UAT

- Apply for a reuse and recycling permit
- Noise report form
- Fostering information request
- Adoption information request
- Report a suspected rogue trader (doorstep criminals and counterfeit goods)
- Report illegal sales to young people
- Child cycle training request
- Vehicle crossover application form

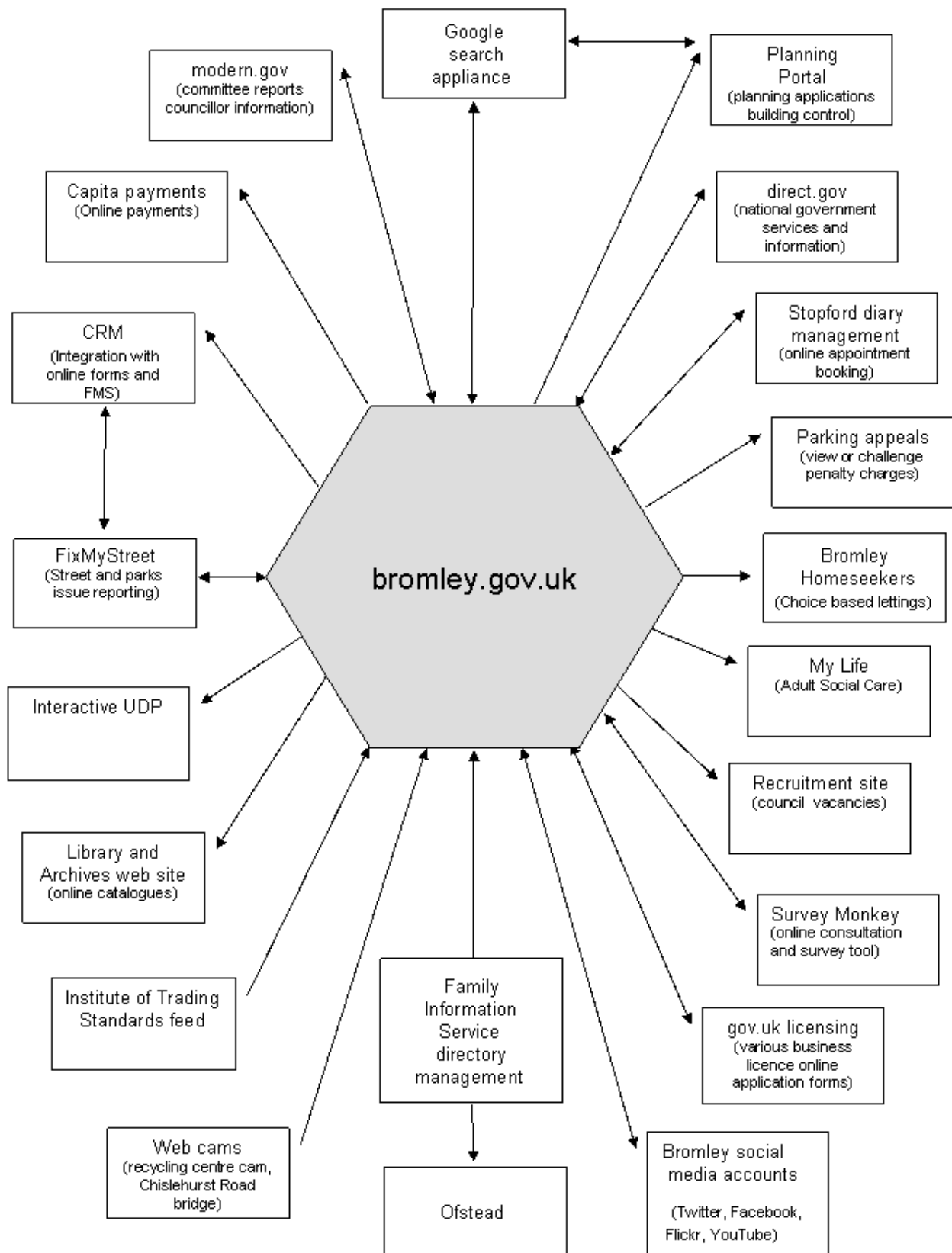
Appendix 2

The diagram below demonstrates the flow between LBB and Contractor and outlines the role of the Client unit:



Bromley.gov – interactions, associations and dependencies

Bromley.gov website is a portal for, shares data with, embeds and interacts with a number of other websites, applications and systems summarised in the diagram below.



Contact Centre

1 What are the savings targets for Customer Services?

Currently there is a savings target in excess of £150,000 for the next 3 financial years. The proportion of the savings that are required for 2013/14 should be delivered from April 2013 to avoid an over-spend

2 What are the anticipated savings from outsourcing?

The previous report that went to the I&E Sub Committee indicated that revenue savings of £200,000 per year could be achievable. It is essential that savings figures are benchmarked against the current Customer Services operation. This work is currently being undertaken. However, case studies in this area do highlight significant service improvements can be achieved by engaging with an external provider.

3 What options are being considered?

High level discussions are underway with Liberata and Capita. In addition, a retained in-house option will be considered, and seeking members views on reducing current service levels and opening hours to enable savings. Although savings on this option are limited.

4 How will quality of service be maintained?

A service specification is being developed to detail the Council's requirements. Service standards on % of calls answered within 30 seconds, % resolved at first point of contact without further referral, visitors seen within 5 minutes of arrival and time taken to upload changes, and maintain consistency to the website are some examples. It is essential the web maintains a presentation of a 'one council' approach and our branding is protected

5 What is a specialist client unit and why is it necessary? How will the web and channel strategies be delivered with an outsourced partner?

The unit will have two main roles, firstly management of the supplier and contract, ensuring that the service is meeting the specified requirements and secondly, providing the strategic direction for customer service e.g. channel shift, and developments in the tools to enable it. The exact profile of this unit is to be determined, along with the grades of any staff within, however, it is planned that it will be managed by the current Head of Customer Service and other staff would be appointed from within the current staff group.

6 Are the departments aware of this proposal?

Yes, we are engaging with all key service leads to seek their views and there is an expectation this is cascaded appropriately

7 Will an Equality Impact Assessment be carried out?

Yes, as part of the scoping work this will be done

8 What specification is being given to the providers to price against and what services does this include?

The specification is currently being drafted and is based on all the services carried out by Customer Services. The details within the specification are likely to be commercially sensitive, and it is therefore inappropriate for it to be circulated.

9 What protection will the Casual Staff have as they are valuable team members?

The contribution of the Casual Staff is recognised. The implications of this group of staff would be carefully considered at the appropriate time and as part of the consultation process.

10 The document mentions that TUPE will apply. What happens if we are subsequently made redundant following transfer?

The consultation document states that were Members to agree to a recommendation to externalise the service the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) would apply. As already stated no decisions have yet been made and transferring the service to an external provider is only one of the options that they are being asked to consider. If a transfer were to take place and TUPE applies this will mean that staff will transfer over to the new organisation on the current terms and conditions. If the new organisation intended to reorganise shortly after a transfer takes place, we would expect to be informed of this information, along with any other measures they envisaged. Staff would be informed of this during consultation and an opportunity to comment on any changes would be given to staff and their representatives. The Council could not guarantee that there would never be any forthcoming reorganisations/ redundancy however if a new employer wished to do so they would be required to have an economic, technical or organisational reason for making changes.

Further information on TUPE can be found on the ACAS website:

<http://www.acas.org.uk/index.aspx?articleid=1655>

11 What is being considered as a remodelled in-house service, are we able to see the business case?

Cost reductions could be achievable by changing our service levels such as time taken to answer phone calls and e-mails. We could also save money by reducing our opening hours. Both these options could be considered should the service be retained in house in order to achieve some of the savings targets. If these options were agreed, then this would result in staffing reductions. Indicative staff resource requirements based on these changes are attached. All options will be considered in the report to the Executive on 28th November. However, all options whether external or in-house need to be affordable and within budget.

12 Cutting budgets in the CSC may well manifest in additional costs in the service areas if we don't look at the interaction from first point of contact right through to service resolution. I am particularly concerned that if we outsource the CSC without proper understanding of the impacts, in the short, medium and long term, on the customer experience and the front line services, then to achieve savings the provider will seek to drive down contact time with the customer through reducing the call handling times; pushing self service channels like Fix My Street; voice recognition and 'on line' forms, resulting in possibly poorer customer experience and the service functions picking up the disgruntled customer at the end of the day, without the resources to cope

Construction of a sound and robust contract between the Council and a potential private provider is essential and should ensure quality of service standards is not compromised. A strong focus will be placed on response rates, quality, accuracy, speed of data input and upload into systems and

resolution at first point of contact as some examples. Call handling time is not a current target for customer services. Outsourcing does not necessarily lead to lower standards, and maintaining this will be a key role of the retained specialist client unit within the Council. Self-service options are one of a number of opportunities to reduce costs and provided they are constructed appropriately and well thought out should not increase burden on services through disgruntled customers. Our aim should be to make self-service the easiest option so it becomes the customers chosen route to report issues to us.

- 13 Some areas of the council are well versed in producing user friendly web ready content but other areas need more support. Examples could be where services have moved to an online function in total or in part. Examples could be Childcare and youth services. Another example might be moving to a web based approach for school admissions. This could be jeopardised by there being insufficient resources to gather information and formulate it properly with negative implications for achieving savings. Additionally, social media would be difficult to control and track.**

It is envisaged that only the transactional and maintenance elements of the website are included in the contract. The strategy and quality management will be retained as part of the specialist client unit. Services making considerable changes to their approach to customer contact will require individual business cases where the costs and savings are demonstrated, these business cases will be written in partnership with the specialist client unit, service and contractor should their proposals be pursued. School Admissions already have a fully operational on line system which is used across London. Social Media would be managed against the same procedures followed for phone calls, e-mails and face to face customers, it is simply another contact channel. Its control would remain within the specialist client unit.

- 14 Will they be using the current technology and all different applications we currently use for each service?**

Yes, initially it is anticipated any nominated contractor will use the current technology, and for those systems managed by Customer Services, they are likely to take responsibility for maintaining and upgrading them. They may decide to change systems, which if done, will be in consultation with the specialist client unit.

- 15 Will some of the services have to take back their front line contact calls initially after 1 April 2013 deadline, pending training of new staff?**

No, services should be unaffected by any changes that result from this project.

- 16 Will there be a review after a certain period to see whether outsourcing to an external provider has achieved its' aims, but has still maintained the quality of service?**

All contracts the Council places with contractors are constantly monitored for quality and effectiveness. This would be a key role of the specialist client unit.

- 17 What is the agreement/contract that Liberata has with LBB, how long does it last?**

It is a contract to provide a broad range of services to the council; services are grouped into two areas; Revenues and Benefits and Exchequer Services. Revenues and Benefits includes council tax collection and administration, benefits payments and administration and all associated customer contact (approx. 200,000 calls PA). Exchequer Services includes services such as pay roll, pensions support, accounts payable and so on. The contract expires on the 31st March 2018.

18 What is the Framework agreement that LBB have with Capita, can we see the details?

The London Borough of Bromley has a contract with Capita for the delivery of ICT (computers, telephony and web) support services. This contract expires of the 31st March 2019. The London Borough of Lambeth have a framework with Capita which the London Borough of Bromley can use to establish a contract with Capita for Customer Services should the London Borough of Bromley wish. The framework expires in 2021. The terms and condition of the Lambeth arrangement are commercially confidential and cannot be circulated at this time.

19 On 19/9/12 a company named People 2 came in to shadow 4 of us in CCC for 10-15mins. each. Will her report be given to Members as an addition to our Proposals?

The Peopletoo work has been commissioned corporately and is looking at the whole of the Council in terms of it's approach to delivering best value. It is separate to this and involves the whole Council.

20 How will the concerns and risks we have identified will be submitted to the Executive Committee before they make a decision on the proposal.

A summary of feedback will be provided as an appendix in the report to the executive

Responses to Customer Services Consultation

November 2012

Bromley Knowledge

In response to the proposal to transfer the Bromley Knowledge team, together with Customer Services, to an external provider and our concerns raised in this paper, please could you let us know the following.

How:

1. Specialist web management expertise will be available to Bromley Council, maximising the potential of online facilities for service-delivery.

The role of the specialist client unit will be, amongst others, to oversee the development of the web and work with any involved contractor to ensure opportunities to channel shift are maximised, working closely with both services, contractor and communications.

2. Web-management and online services will be 'agile', i.e. sufficiently flexible to encompass new technologies in this constantly-evolving area.

The role of the specialist client unit will be to ensure developments in the system and technology are implemented to ensure Bromley maintains its position in terms of on line service opportunities. There will be potential of additional support or resources being made available through the contract and this will be explored in negotiations.

3. Service staff will be digitally-literate – able to understand online opportunities and exploit technology to deliver services

The specialist client unit will advise services on development opportunities to enable and maximise customer self service and efficiency, these will translate into work programmes for any contractor involved in the operation. A key selection criteria is likely to be based around the ability of any potential contractor to innovate.

- 4. Information will be presented efficiently and in line with good practice and legislative requirements.**

Any contractor appointed, will be required to present information within the style and format we direct. This will be monitored by the specialist client unit.

- 5. New developments and system integration would be investigated, developed and implemented.**

As question 2

- 6. Content will be published urgently when required, 24/7.**

It will be written into a contract that urgent requirements will be uploaded within an agreed time frame

- 7. Close working relationships with service areas will be maintained.**

As question 1

- 8. Social media and other free, online services would be exploited to promote the council's activities and encourage engagement.**

As question 2

- 9. Bromley Council's image and brand would be protected and promoted.**

As question 4

- 10. Close links with Communications will be maintained; using the website as a prime channel for the council's corporate message.**

This is an expectation, and the specialist client unit will play a pivotal role in this liaison.

- 11. Any cost-savings could be achieved through out-sourcing, unless there is a reduction in service.**

The scale of support offered by engaging with a contractor in terms of their expertise, capacity and support mechanisms across web, contact centre and receptions including "piggy-backing" service and technology solutions already in use is likely to provide opportunities for efficiency.

- 12. The proposed client unit (paragraph 2.5 of report) would manage web strategy and the unit's role in day-to-day web content management – what skills would be in this unit, how would it interact with an out-sourced web service?**

The expectation would be for the post holders within the client unit to maintain close and regular interaction with any contractor appointed. As we are still in the early stages of the consultation we are considering the structure within this proposed team.

Finally, please could you let us know how the concerns and risks we have identified will be submitted to the Executive Committee before they make a decision on the proposal.

A summary of the responses from the consultation will be provided as part of the report to the executive.