Report for: Overview and Scrutiny Committee 30-04-19

Title: Front Office, Back Office Transformation Programme -
briefing

Report
authorised by :   Richard Grice, Director of Customers, Transformation and
                   Resources

Lead Officer: Belinda Black
                   Tel: 07976 077149
                   Email: belinda.black@haringey.gov.uk

Ward(s) affected: All

Report for Non Key Decision

1.   **Purpose of this report**

      This report provides a summary of the Front Office, Back Office (FOBO)
      Transformation Programme in terms of why it is needed, what it will achieve,
      and how it is being be managed.

      The programme welcomes any comments and recommendations from the
      committee.

2.   **Purpose**

      Residents, businesses and our council staff colleagues expect our services to
      be straightforward and easy to use. At its core, FOBO is about making
      interactions easier. It is also a critical contributor to the Council's financial
      sustainability and will save £4.25m from Customer and Corporate Services
      budgets over the next two years.

      We're meeting these dual service and budget challenges head on by changing
      the way we do things; we'll work smarter, we'll help our staff, customers and
      service users be digital first and we'll simplify what we do. This will benefit
      everyone who interacts with or works for the Council..

3.   **Background and rationale**

      The FOBO Programme was originally initiated to support the delivery of MTFS
      savings across Customer Services & Libraries and Corporate Resources,
      against a backdrop of increasing customer expectations for high-quality and
      easily accessible services.

However, the FOBO programme is not just about delivering savings, it is about changing the way Haringey's residents, businesses and visitors can contact us and do business with us; their experience and satisfaction with us as a council; and making sure that our staff are able to spend their time focussing on what is important to our customers. Therefore the programme will not only deliver the savings, it will also contribute to the Borough Plan 2019-2023 which states that we will:

- 'Focus our resources so they have the greatest impact where there is the greatest need.'

- 'We will make sure our services are as efficient and modern as possible, including through using technology.'

- 'To deliver our demanding agenda in a challenging environment, with limited resources, we must become an exemplary modern Council. We must ensure that the work we do is efficient, astute and based on evidence; that it is focused on and responsive to our customers, residents and businesses; and that we employ, inspire and cultivate an engaged and committed workforce. Fundamentally, we must be tenacious in our pursuit of organisational excellence in order to create the outcomes we want for Haringey.'

The outcomes and objectives within the Borough Plan that the programme will support are:

Outcomes	Objectives
18. Residents get the right information and advice first time and find it easy to interact digitally	a) Self service will be customer's first choice, because we will make it easy to use
	b) Those customers that need a more personalised service will receive it – this may be in relation to the customer themself, or an unusual, special or unique situation that has arisen, that requires something more than a standard service
	c) A customer of any council service will receive a consistently good, fair, timely and professional experience
19. We will be an able, positive workforce with the skills needed to deliver for Haringey	a) Staff will understand how their work contributes to outcomes for residents and that their work matters
	b) We will be a diverse workforce at all levels of the organisation (in terms of similarities and differences among employee: age, cultural background, physical abilities and disabilities, race, religion, sex, and sexual orientation) where there are opportunities for staff to grow and develop their careers, and where difference is valued

FOBO is also working with Economic Development and Growth, to develop a customer service offer for businesses that is comparable to that offered to residents to fulfil the commitment made in the Haringey Business Pledge in the Borough Plan. Based on feedback from Haringey Business Alliance and Federation of Small Business we will:

- Strengthen coordination across all Council services that engage directly with local businesses, such as on parking, highways, fly-tipping, safety and security and the public realm, business rates and procurement - and many other issues that affect business operations

- Ensure that operational activities and policies affecting local businesses are communicated to business with an improved web site and use of social media.

An outline business case (OBC) for FOBO was reviewed and approved with Corporate Board in Sep 18. The OBC provided details of work carried out so far on the programme, development of key deliverables, planned future programme activities, a high level implementation plan and a financial plan to draw on the capital investment secured at Feb 18 Cabinet.

In Sep 18 Corporate Board restated that a core objective to be met by the FOBO programme was delivery of £4.25m savings by 2021/22 to support the Councils' overall MTFS.

The main savings will come from:

- Customer Services existing establishment budget as a result of front office redesign.

- Corporate Services establishment budget as a result of back office redesign.

Since the programmes' original inception, there have been a number of changes that have impacted on original plans for how the savings challenge could / would have been met. For example an increased focus on retaining services in-house. Also, with such a broad-ranging programme, there are inevitably individual service changes that need to be made over time. These can impact on the broader FOBO savings plans and each is considered on its merit for delivering corporate benefits. An example is the recent restructure of the majority of finance staff from AD Resources to Director of Finance.

4. What services are included in the programme

The service areas in the programme are:

- Customer services
- Homes for Haringey (front office only)
- Benefits
- Revenues
- HR
- Finance
- Business Support
- Feedback and Information Governance (FIG)

5. Our approach

The programme team have developed a plan that will deliver the MTFS savings sought. In doing so it decided that this is done in a series of 'stages' so as to manage both the constraints and recognition that some of the change initiatives needed are at differing levels of 'delivery maturity' (e.g. those opportunities where delivery could commence from Jan/Feb 19 versus others where further service re-design is needed before effective delivery can commence).

As such, the FOBO programme is being delivered in three key stages:

- **Stage 1:** Delivery of initial enabling capability and savings [Jan 19 – Oct 19]
- **Stage 2:** Delivery of further capability and savings [Nov 19 – Apr 20]
- **Stage 3:** Delivery of full capability and savings [May 20 – Mar 21]

The opportunities in Stage 1 have been grouped into six projects to oversee delivery and are:

Project within FOBO programme	Scope covers	
	Front Office / Customer Services	Back Office / Corporate Services and HR
Revenues and Benefits	✓	✓
Feedback and Information Governance and Business Support	✓	✓
Housing and Parking	✓	
HR and Finance		✓
Digital Customer	✓	
People, Change & Shared Practices	✓	✓

Appendix 1 shows the key deliverables for each of these projects. In addition work is underway to determine the council's requirements in replacing the current digital platform My Account which is out of contract in April 2020.

The programme is working with the Corporate Programme Management Office (CPMO) to deliver the transformation using the latest techniques, including using 'agile sprints'. Agile sprints are a way of getting the right people in the room, normally over a week, to get to a desired outcome by the end of that week. This approach is much faster and more effective at finding solutions than traditional "waterfall" methods, as shown in Appendix 2. This method allows for group design and shared ownership of the various processes being improved.

There are six scheduled sprints being facilitated by professionally trained internal officers over the next few months in HR, Finance, Revenue, Benefits, Business Support and Customer Services. Last month the programme held the first sprint looking at requirements of the digital platform. Representatives from various Council departments met to design the customer digital vision for the next 5 years and what the main requirements of a new digital platform should be. The next agile sprint in April will look at the challenge of enhancing the use of purchase cards and what additional value it can bring to the Council.

6.   **What will be delivered and when**

Appendix 3 shows the programme 'roadmap', what will be delivered and when and related communication activities.

The programme completed the planning phase in Dec 2018 and began implementation in Jan 19. Some opportunities have already been delivered:

- Customer Services queue call back – providing customers with the option of receiving a direct call back, reducing waiting times to speak to an agent

- o Initial performance data shows a reduction in average call lengths following a call back of over 1 minute per call. This is currently being validated.
- Simplifying layout and rationalising the Contact Us pages on our website to support customers in using digital channels. This includes pages for parking PCNs, Council Tax, Housing Benefits and Customer Services.
- Capturing Revenues and Benefits customer email addresses and mobile phone numbers. This will enable new digital communication channels for customers, reducing the reliance on paper for our back office services.

As changes are made the programme is monitoring the impact to ensure the expected benefits are being delivered. If any shortfall is identified the programme team will review the original calculations to identify why it has occurred and take necessary actions to recover. For example, some of the opportunities require customers and staff to self-serve therefore additional actions may be required to encourage and support take up.

7.   Equalities impacts

Many of the opportunities within the programmes projects will provide additional or different ways for the residents and businesses in Haringey to contact and do business with the council. The programme is considering previous and current feedback from customers and planning how and when to engage them in the design and testing of new service delivery models.

We know many of our customers want to be able to self serve and this is evidenced by the increased usage of our website. The Web Management Report 2017-18 stated that the Haringey website received 3,667,602 visits (a 7% increase on 3,421,796 in 2016-17). The report also showed that the number of website visits using mobile devices had increased by 16% from the previous year. Approximately half of the website visits are transactional (report, pay or apply) and the 'Contact the Council' eform was the most used form with over 10,000 forms being submitted. There were also significant increases in use of:

- Housing Benefit Change of Circumstances form + 35%
- Our Haringey app (to report environmental issues) + 47%
- Home Connections website (housing applications) + 43%

However, the programme is very aware that not all customers will be able to self serve and will ensure that those who require additional, personal support will receive it. Work will also continue to identify the reasons why customers do not self serve and, where possible, take steps to address them. For example, a recent survey of customers who applied for Blue Badges found:

- 50% of people applying on paper didn't know there was an online alternative
- 70% of people applying on paper regularly use the internet for banking, shopping and social media

- Of the 30% who don't use the internet only half said they didn't know how. 10% know how but don't have access to the internet.

Some opportunities within the programme will also change the way officers across the council will contact and do business with other internal services, HR and Finance for example. The programme has engaged representatives from across the organisation to involve them in the design and testing of new service delivery models.

A programme level Equalities Impact Assessment (EQIA) is being produced and each project manager will consider which of the opportunities being delivered within their project requires a more detailed EQIA to detail any issues and find robust mitigating actions where any equalities imbalances are identified.

8.   Dependencies with other council initiatives

The programme is working with colleagues across the council to ensure its activities are aligned with and complement other programmes and initiatives, including:

- Future replacement of Housing core system (e.g. OHMS to Northgate Housing)
- Future Parking transformation programme (including replacement of Civica system)
- Future SAP upgrade / replacement programme
- New Ways of Working
- Community First

9.   Financial – funding, expenditure and savings

The following tables show (as £000s) how the programme is funded, what the funding will be used for and the savings that will be delivered:

FOBO Programme Funding Profile:

	18/19	19/20	20/21	21/22	Total
Amount funded by Capital Receipts	903	2500	2950	535	**6888**
Amount funded by Capital Budgets		500	500	500	**1500**
TOTAL	903	3000	3450	1035	8388

FOBO Programme Expenditure Profile:

	18/19	19/20	20/21	21/22	Total
Internal Resources	207	854	500		1561
External Resources	536	971	500		2007
IT Systems / Services	0	2420	2240		4660
Training	0	75	25		100
Other	0	60			60
TOTAL	743	4380	3265		8388

FOBO Programme Savings Profile (MTFS Feb Cabinet 2019):

	18/19	19/20	20/21	21/22	Total
Front Office	0	500	500		1000
Back Office	250	1000	2000		3250
TOTAL	250	1500	2500		4250

The current expenditure profile shows a projected spend of the funds by 20/21 which will require a request for all funding to be brought forward. This will enable the delivery of the savings by 20/21.

FOBO Programme FTE and non-FTE Savings by Project/Service:

The £250k savings for 18/19 have been achieved without reducing staffing levels.

The savings from the changes being implemented in stage 1 of the programme are:

- Revenues, Benefits, Business Support and HR will deliver £407,537 savings which do not impact on staffing levels (e.g. reducing printing costs)
- The Revenues and Benefits project will deliver £943,709 savings by reducing 3 FTE in Customer Services, 8 FTE in Revenues and 13 FTE in Benefits
- The Feedback and Information Governance and Business Support project will deliver £224,546 savings by reducing 1 FTE in Customer Services, 0.5 FTE in Feedback and Information Governance and 4.5 FTE in Business support
- The Housing and Parking project will deliver £197,711 savings by reducing 5 FTE in Customer Services
- The HR and Finance project will deliver £472,283 savings by reducing 6 FTE in HR and 4 FTE in Finance
- The Digital Customer project will deliver £531,344 savings by reducing 14 FTE in Customer Services
- The People, Change and Shared Practices project will deliver £405,000 saving from management delayering across the services

As the savings from stage 1 above, totalling £3,182,130, will only come into effect from 01-10-19, when new structures are implemented and staffing reductions complete, only half of the full year saving will contribute to the

19/20 target. The other half will contribute to the 20/21 target, leaving the programme with a further £817,870 saving to identify for next year.

The current projection for the programme is an excess saving of c£91k in 19/20. This gives some contingency to bridge gaps if any of the opportunities are not delivered on time or do not achieve the benefits expected.

In relation to the staffing reductions, the programme is working with relevant service heads and colleagues in HR to plan how and when these will take place, including the support that will be provided to officers who may be affected. A full consultation will take place prior to changes being implemented and reductions will only happen once the Assistant Director is confident that the opportunities have been successfully delivered.

Of the identified savings opportunities affecting up to 62 FTE, the below table shows staffing reductions broken down by service area. Where possible services are aiming to reduce the impact on permanent officers as the below indicates. This will include offering different working patterns (e.g. reduced hours daily, weekly) for officers who may want this.

Service	Total FTE reduction	Permanent staff	No. of Vacancy / agency staff	No. Management grades (SO1 and above)	No. Officer grades (Sc3-Sc6)
Revenues	8	3	5	2	6
Benefits	13	2	11	2	11
Business Support	4.5	2.5	2	0	4.5
FIG	0.5	0.5	-	0.5	-
HR	6	-	6	6	-
Finance	4	2	2	4	-
Customer Services	26	19	7	3	23
Total	62	29	33	17.5	44.5

At this point, there are no apparent disproportionate impacts on any particular protected groups. However, this is something the programme will continue to assess in a more specific way as the detail of the future employment profile becomes more apparent

In Haringey we have a very well regarded 'supporting change' offer which is available to employees at any time to support them to plan their careers and make the most of opportunities to support their career goals. It covers things like career coaching, interview technique, writing CVs etc. This is beneficial to staff at any time however it develops even greater significance to them when changes to services and structures are being considered.

Future structures are starting to be formulated and current planning indicates that we will be consulting with affected staff in the front office towards the end of April 2019. As part of the consultation process we will be able to be more

explicit with the staff that are directly affected by the changes and work with them to identify their personal aspirations, which could range from retiring from work all together to changing career to preparing for the available roles in the new structures. We will aim to keep compulsory redundancies to an absolute minimum using the mechanisms of voluntary redundancy and redeployment to suitable alternative roles wherever possible and we will continue to work closely with the trade unions to ensure as smooth a transition as possible.

When the programme has identified individuals who are eligible for redeployment and choose this as their desired outcome, the programme will be able to target vacancies for potential redeployment options.

Consultation in the back office is likely to be phased over the various distinct service areas and the timescales are less apparent at this time however we will work with affected staff in the same way to keep the numbers of compulsory redundancy to a minimum.

Service leads have been asked to remind employees about the supporting change offer and to raise the profile of this within their service areas and this is something that will continue however it is natural that employees will engage in a more meaningful way once they know the detail of the proposed changes when we commence consultation on the proposals.

In consideration of the need to move quickly once the future structures are agreed and also the need to make sure that staff have the best possible chance to be successful in what will inevitably be a competitive process, the programme is working with managers in Customer Services to design and deliver the following training in July 19:

- Soft skills

    o   Managing the customer relationship
    o   Finding out what the customer needs, asking the right questions
    o   Active listening
    o   Ending a conversation in a polite and professional way
    o   Managing difficult conversations

- Digital skills - written – for social media and emails, and improved awareness of the digital world within CS

A funding provision for this and other training that may be identified has been made.

10.   **Financial – Non financial benefits**

The non-financial benefits that will be delivered in Stage 1 are set out below:

For residents, businesses and partners:

- Improved website providing intuitive information, advice and guidance.
- Enhanced digital self-service offer with automated processing where appropriate.
- Assisted digital support for self-service offer.
- Better information provision to partners to direct and signpost demand appropriately.
- Consolidated and simplified access channels for universal services.

For staff:

- Re designed end to end processes for services in scope providing an improved experience using automation where appropriate.
- Extended use of current digital platform to expand self-service offer.
- Reorganised teams that have the right skills to deliver who are enabled with the appropriate systems (within the programmes scope).

Another key non-financial benefit the programme will deliver within the services in scope is the development and support of a continuous improvement culture and operating model. This will include better use of information to identify current and future needs and the root cause of any customer dissatisfaction.

- Developing and supporting a continuous improvement culture and operating model
- Better use of information

11. Communications and engagement

Communications are key to the success of the programme. A new intranet page was launched in Jan 19 setting out the change vision. This is the starting point for all resources and will be a 'living' document.

A detailed communications plan has been produced which clearly sets out on weekly and/or month by month basis:

- Who all the stakeholder groups are
- Who will be communicated to and when
- Using which channel (i.e. face to face, push-pull, rich or light etc)
- What the key messages will be.

Stakeholders may fall into more than one group and therefore the plan helps coordinate messages from different work streams, ensuring a joined-up approach.

At different stages of the programme the messaging will reflect the change curve; awareness and understanding at the start, followed by gaining knowledge and preparation for the change. Then post implementation – adoption. Appendix 4 provides more information about the programmes approach to culture and external communications.

Embedding and communicating successes as part of the overall communications plan are essential.

## Appendix 1: Key deliverables for each FOBO project

Project Name	Scope / Key Deliverables
Revenues and Benefits	• End to end processing from Customer Service through Revenues and Benefits processing teams • Maximising use of current contact technologies and introducing new processing automation • New customer digital customer journeys • Reduce and remove avoidable customer contact and encourage use of digital channels • Clearer explanation to customers • Better use of external printing
FIG and Business Support	• For FIG, introduce a new method of logging all complaints and explore changes to complaints definition and policy • For Business Support, stop the printing and paper distribution for various requests / papers, automate the clinical waste process and travel booking processes
Housing and Parking	• For housing, full automation of repairs logging across all platforms, Customers to access progress of repair jobs and provide better explanation in rent letters. • For parking, simplify current process for applying for skip licences, review and update parking information online and improve the application and payments for all other types of permits and licenses. (Virtual permits Stage 2)
HR and Finance	• For HR, introduction of a case management system, assessment of transcribing service and charging model for Disclosure and Barring (DBS) and upgrade staff portal • For finance, improved debt management process, upgrade staff portal and changes to the council procurement approach (delivery may be in Stage 2).
Digital Customer	• Implement an automated email management solution • Simplify layout and rationalise Contact Us pages on website • Implement Queue Call Back (QCB) • Remove switchboard • Fully enable self-service PCs in service centres and introduce self-scanning of customer documents • Update and simplify interactive voice response (IVR) • Encourage customers to use Marcus Garvey and Wood

|	Green self service
People, change, shared practices	• People - changes to develop and complete future structures, agreed options on reductions, informal and formal consultation, changes to contacts / notices and ensure new structures are implemented. • Shared practices - review current KPI's, standards and performance management frameworks and introduce new OLA between CS and services. • Change - supporting staff, managers and key stakeholders through the change process including delivery of a communications plan (internal and external), soft skills training for CSL staff, a new customer access strategy and EqIA's for residents and the workforce.

A new way of doing projects and service design & development

Old way
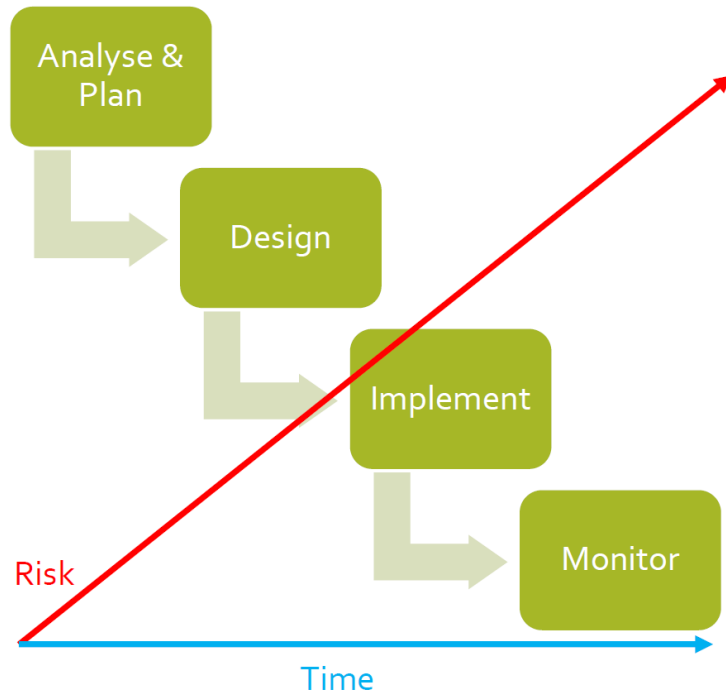
New way
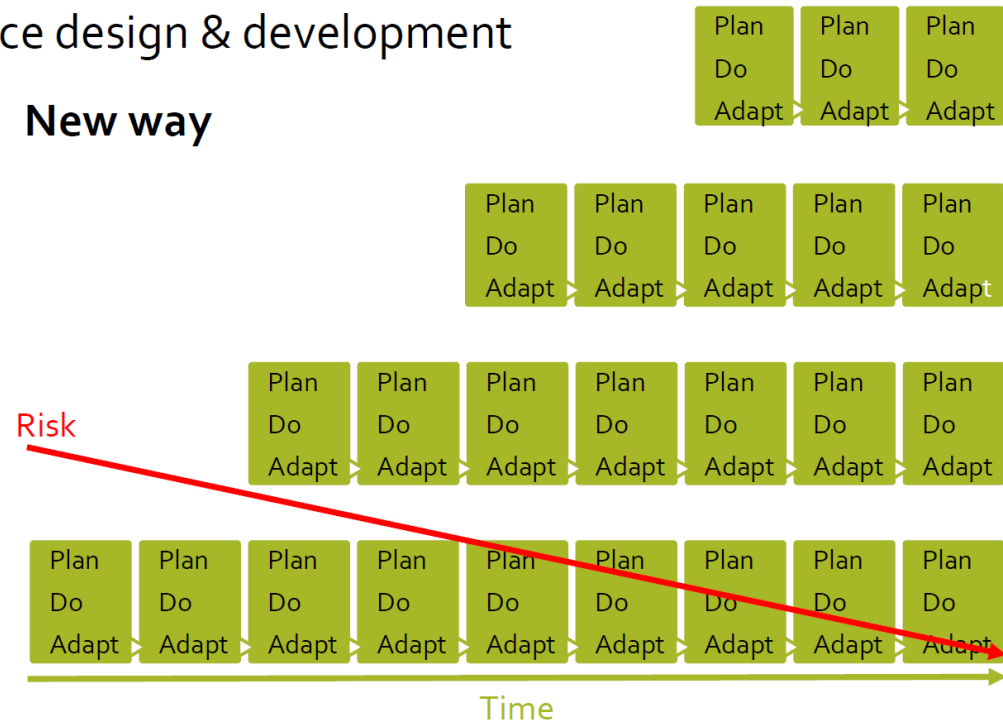
- The image on the left is commonly known as 'waterfall' which is often the default way to approach a project. However it often fails. This is due to the planning being done and fixed up front making it difficult to adapt to change.
- The image on the right is more of an **Agile** approach which delivers smaller chunks of a whole project in a time boxed, sprint approach. This means that teams are able to quickly adapt to the changing requirements and feedback from stakeholders, reducing risk and speeding up value through faster delivery

Appendix 3: Roadmap – what will be delivered and when

FOBO Stage 1

Legend: Front Office | Back Office | Both Front & Office | External Comms

	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19
Revenues & Benefits	Deliver printing efficiencies; Capture of email addresses	Document bundling; Process automation supplier on site	Transfer of Agency staff to Meritec	New Landlord Portal; Address match; Outbound communications agile sprint	Email to advise landlords; R&B process automation agile sprint	Haringey people newsletter; Improvements to outbound communication; Haringey website	R&B process automation completion; E-billing; Improvements to inbound communication	Improved customer service scripts		New document management system
Feedback & Information Governance and Business Support			Travel booking agile sprint	Stop printing panel papers; Emails to advise stakeholders; Stop printing various requests	Automate clinical waste; Automate travel bookings	Change complaints definition; Haringey website; Change the complaints process	Training for councillors	New complaints logging system		
HR & Finance		Purchase card agile sprint	New Disclosure and Barring (DBS) charging model; Vfire staff portal agile sprint	Advise targeted suppliers	Purchase card pilot completed	Foster carer overpayments agile sprint		Improve debt mgt process; New HR mgt system; Upgrade staff portal	Centralised shopping trial completed; Transcribing service changes	
Digital Customer	Queue call back	Queue call back reporting; Digital platform requirements agile sprint	Citizen panel digital testers	New contact us online pages; Webchat pilot	Wrap up codes; Advise on website	Home to school online measuring service; Haringey people	Telephony (IVR) rebuild; Online/email mgt; Decommission switchboard	Circuit posters		
Housing & Parking				Rent explanation letter; Update website	Update parking information online; Simplify online skips license	Improve My Haringey home mobile Ap			Improve application & payments for other permit licences	
People / shared practices / change	FOBO intranet and Yammer page	Op Level Agreement for planning & CS; Change champions recruited	Costed as is and to be structures	Op Level Agreement for parking & CS; EQiAs for residents & workforce; Customer access strategy	New performance mgt framework in CS; Management delayering saving; Op Level Agreement for revenues & CS	CSL soft skills training	Op Level Agreement for benefits & CS	Op Level Agreement for housing & CS	Op Level Agreement for other services & CS	

Appendix 4: Culture and External Communications

Culture review
A culture review has been carried out at Haringey in order that the people side of the FOBO programme can be considered. The cultural impact of the changes made by the FOBO programme needs to be accepted by people working here, this means changing the way people work and embracing the change.

This will be done through a number of different ways; engaging with staff in a positive tone, telling them of the benefits of the changes and the launch of a change agents network. The cultural impact of the programme is key to its success and will concentrate on how we can bring our people with us on this journey.

External Communications

The programme has captured the external engagements required so that our residents are fully informed and have a chance to influence the outcomes.

We are planning to recruit 'digital champions' so that we can test some of the changes to the website. Most notably where we are changing the website options moving people away from pdf forms and telephone lines to self-service options. The digital champions will help us assess the impact of those changes and advise if we need to modify these options.

The new interactive voice response (IVR) for people who telephone will be more intuitive and will guide people towards the website for a better experience on how to access our services. This frees up agents' time to concentrate on more complex queries that can't simply be solved via the website.

There are plans in place to communicate what we are doing through using Haringey People, and a library poster campaign for people who regularly use our services.

Where we are working with other agencies such as the police, schools and social services we'll be letting them know where we are making changes. This includes the reduction in printed materials for Child Protection Conference Reports for instance where we'll reduce the reliance on printed copies. These are often not used and must be securely disposed of – costing the council thousands of pounds a year.