

# APPENDIX



## Customer Services Transformation

### Customer Services Outline Business Case

25 October 2013

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## EXECUTIVE SUMMARY

This document sets out an Outline Business Case (OBC) for the Customer Services Transformation (CST) programme and specifically to deliver a new interim operating model for Customer Services by August 2015. It seeks to capture and summarise relevant information about the programme, the options and recommendations in delivering the operating design with the aim of securing formal approval for the delivery of the next stage and development of a Full Business Case (FBC) by March 2014.

The interim operating model for Customer Services will deliver a number of operational changes including 100% of in scope Council transactions to be available online, the contact centre delivering all first contact Council services, a new single online portal / contact management platform which drives workflow between the front and back office, and the development of a new multi-service and multiple use Customer Services Centre (CSC)<sup>1</sup> to support face to face contact.

The business case has been produced using the 'Five Case Model' which is the Office of Government Commerce's (OGC) recommended standard for the preparation of business cases and is used extensively within the public sector. The main headlines from the consideration of the each of five main components are:

- **Strategic case** - This OBC supports the key corporate outcome of 'A better Council' by delivering responsive, high quality services and encouraging residents who are able to help themselves to do so. The OBC also supports and enables other Council programmes strategies and initiatives including Haringey 54,000, Tottenham Regeneration, Haringey's emerging digital strategy and the delivery of financial savings / reduction in baseline cost of current service
- **Economic case** – three main options (with a variant for option 3) have been identified and assessed in delivering the interim operating model. This includes understanding costs, benefits strengths, weaknesses, opportunities, threats, risks and sensitivities in each option. Financial benefits and costs remain indicative and will be subject to further validation when completing the FBC, but in summary the analysis suggests:

Options	Financial Benefits to 2018/19 <sup>2</sup>	Costs to 2018/19	Payback	Benefit to cost ratio
Option 1 – Do nothing	£0	£0	0	0
Option 2 – Customer Service consolidation with stand-alone web based initiatives delivered on a department by department basis	£3.58 million	£2 million	3 years and 1 month	1.78 (£1.78 back for every £1 invested)
Option 3a – Transformation of Customer Services via corporate wide process and technology change - CRM led solution	£8.43 million	£6.37 million	4 years and 3 months	1.32
Option 3b – Transformation of Customer Services via corporate wide process and technology change – Digital Platform led solution	£9.17 million	£4.43 million	3 years and 1 month	2.07

<sup>1</sup> The business case does not include detailed costs and benefits for development a new Customer Service Centre (CSC) facility and a network of community offices to support face to face customer contact. Implementation of the Customer Services interim operating model for major changes to face to face Council services (incorporating wider property considerations such as regeneration) will be covered by a separate business case.

<sup>2</sup> This includes 3 FTE pre-agreed savings for Traffic management which this OBC will support and enable

Option 1 represents no significant improvement on the status quo, and is unlikely to offer any progression in terms of customers' perception of Council services and achievement of the Council's aims. Because this option does not support the Council's strategic or financial objectives it could only be considered if all other options were unviable. Option 2 is the cheapest option would provide improved customer service, but would still offer a relatively 'shallow' service to customers. It would provide a platform on which to build, but it is unlikely that a consolidation solution alone would produce the real improvements sought. In short this option has potential to deliver improved customer service, but at an operational cost that would be at best stable in the short term, increasing in the long term.

Options 3 provides the greatest potential benefits from a broad and deep front office, highly skilled staff, single portal to drive self-service transactions, integration into LoB applications, and process automation delivering end to end service improvements. They provide the opportunity for the Council to reduce cost, while providing a strengthened customer service to all and additional support to those who need it most. While these options require the most investment and will be a challenge to the Council, they will deliver significant financial and non-financial benefits which will have a big impact on the perception of the service and will engage the whole Council in the transformation programme. On the basis of the analysis in the OBC, option 3a is more expensive (mainly due to systems investment) and the time taken to achieve benefits is longer, than in option 3b. **However, it is recommended that both options 3a and 3b are taken forward and subject to a more detailed systems options appraisal so that a full functional, technical and commercial assessment can be undertaken.**

- **Financial case** - The main programme capital and revenue costs relate to resources (internal and external), IT, redundancy and accommodation / infrastructure. Some costs incurred for delivery can be met from the budget already identified by the Council for the CST Programme. To date, the Council has agreed a capital funding of £2.05 million for the CST Programme, although to deliver all the costs in the OBC to 2018/19 will require a capital funding bid with associated revenue implications in the financial ranges of £4.22 and £6.06 million
- **Commercial case** – At this stage, the main cost items to deliver the programme that are likely to be procured relate to external programme and project management support and the new IT / portal / contact management platform. Following a procurement exercise in June 2013 for a strategic partner to deliver consultancy (programme, project and transformation support), it was recommended that a decision be taken to appoint Agilisys as the preferred bidder. The contract will commence of October 1<sup>st</sup> 2013. For the IT platform a procurement exercise should be initiated to determine the product that best meets the Council's requirements
- **Management case** – The main vehicle for delivering the OBC is the CST programme which was initiated in May 2013. This already has in place a portfolio of projects and a well-established governance and delivery structure. A road map has been developed which identifies at a high level the main activities, deliverables and milestones through to 2015 in delivering the OBC.

# 1 INTRODUCTION

## 1.1 Background and purpose

Over the next two years Haringey Council has a clear strategic direction and corporate plan 'One Borough, One Future' to ensure that everyone who lives in Haringey has the opportunity to lead a successful and fulfilling life. To deliver this a number of corporate priorities have been agreed including ensuring the Council works in a customer focused way, that is gets the basics right for everyone and strives for excellent value for money in service delivery.

The Council has initiated four corporate transformation programmes and a range of projects and initiatives to deliver the plan. This includes the Customer Services Transformation (CST) programme, which was formally set up in May 2013 following a review of the Residents strategy in order to improve the customer contact experience and to fundamentally change the way in which customers interact with the Council.

An interim Target Operating Model (TOM) has been developed as a means to measure progress towards a final operating model. This interim operating model is to be delivered by August 2015. The interim TOM describes the key high level operating features in terms of channels, processes, people and skills, organisation, technology, performance management and infrastructure.

The purpose of this document is to set out an Outline Business Case (OBC) for the CST programme and specifically to deliver the interim TOM. It seeks to capture and summarise relevant information about the programme, the options and recommendations in delivering the operating design with the aim of securing formal approval for the delivery of the next stage and development of a Full Business Case (FBC).

## 1.2 Business case overview

The business case has been produced using the 'Five Case Model' which is the Office of Government Commerce's (OGC) recommended standard for the preparation of business cases and is used extensively within the public sector. This is shown in figure 1 over page.

The development of the business case takes place over time and sequentially in relation to the five key components. At each iteration, further detail is provided, resulting in the production of the Strategic Outline Case (SOC); OBC and finally the FBC by March 2014.

A SOC was produced in 2012 which set out the broad case for change primarily in implementing the tiered model of customer contact. As part of the review of the Residents strategy in March 2013, a journey of development and improvement was recommended for Customer Services to provide a clear roadmap for the CST programme and projects. This describes the service offering in terms of:

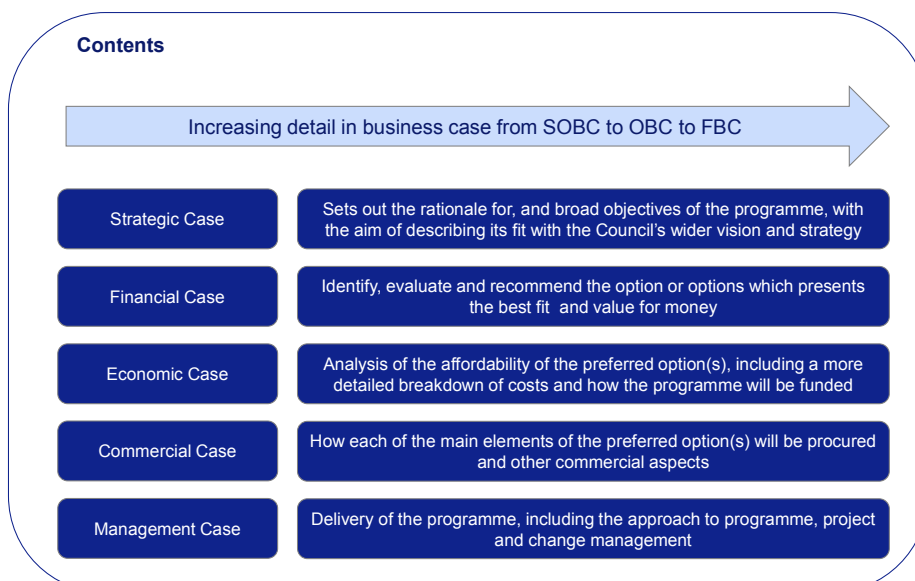
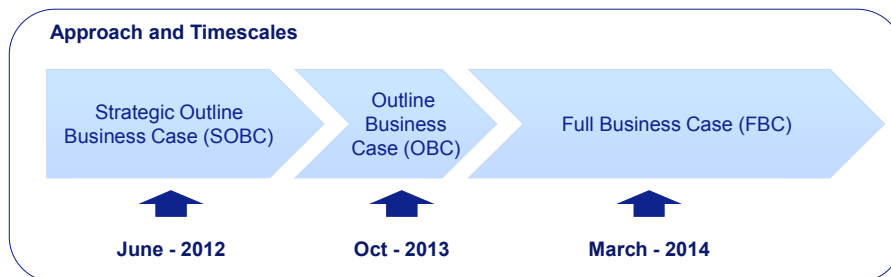
- Today – a fragmented service underutilising channels with a constant resourcing issue. A traditional channel mix with limited self-service, multiple systems at front door and a struggle to match staffing levels to volume.
- 18-24 months- a more consolidated service that can flex with the changing channel mix that informs and influences service offerings. Greater use of the web and more targeted face to face. Consolidation of Council services and introduction of a common system interface. Staff and services will be thematically grouped around client and transaction types

- 5 years – Digital by Default model that moves from a channel to customer segmented service. A matured face to face model that focuses on hard to reach customer groups. Service flex adaptively to meet demand and are proactively shaped by customer insight. There will be no transactional staffing group and a common system interface across all services.

To deliver the new service offering a phased programme of change was recommended focusing on:

- Stage 1 (May-Oct 2013) – Stabilise and plan. Deliver a stable Customer Services, utilise skills and resources more efficiently, clear strategy and plan for future, delivery of operational improvements / quick wins with largely current technologies
- Stage 2 (Nov 2013-Aug 2015) – Consolidate and optimise. Implement interim operating model, consolidate all contact teams, develop web transactional / CSC offering, implement new technology / common interface, develop and embed customer focused culture
- Stage 3 (Sep 2015 to 2018) – Digital by default. Implement full transformation model, web is primary channel, CSC offering fully remodelled, paper and email almost eliminated, partner delivery model supported.

This document is the OBC to deliver the stage 2 design and interim operating model by August 2015. It covers issues such as the strategic fit with what the Council wants to achieve, the aims and objective of the programme and its constituent parts, the options and benefits that will be achieved, quantified as far as possible at this stage, and the resource and cost implications at a fairly detailed level. Additionally, consideration is given to affordability and the likely available funds and the Council’s capacity to deliver the programme.



*Figure 1: Business case Overview*

### **1.3 Approach to business case development**

The steps to developing this Outline Business Case have included:

- Developing a new vision for Customer Services and an access channel strategy covering the period 2013-16
- Defining the interim TOM and design so that a clear understanding of what the end game for Customer Services looks like can be understood – see section 2.4
- Completing an outline design of the operating model in contact handling teams for four service areas, namely Revenues, Benefits, Traffic Management and Complaints. This identified the main process and technology opportunities available and identified potential financial savings that can be realised through more efficient contact handling, channel shift, process re-engineering and process automation
- Using the savings from the four services to extrapolate the total potential saving across the other in scope service areas including Registrars, Libraries, Single Front Line, FOI, Adults Services, Children's Service, Planning and Building Control, Regulatory Services and Housing Services
- Using indicative and existing IT costs provided to the Council based on two alternative scenarios: a Customer Relationship Management (CRM) solution (Microsoft Dynamics) and a Digital Platform solution (Agilisys). These are illustrative at this stage and are used to provide a reasonably accurate indication of cost and timescale for business case purposes; they do not present a detailed costing against an agreed set of business requirements.

### **1.4 Interim target operating model (TOM)**

The interim TOM for Customer Services by August 2015 will be characterised by the following operating features being in place:

- Digital is the growing channel for transactions – the Council has implemented 100% (50% by March 2015 – 100% by August 2015) of in scope Council transactions online. Web / mobile is used for information, transactions and status updates. Post and email have been reduced and face to face is used to support digitally excluded customers to use self-service and with complex needs
- The breadth and depth of enquiries dealt with by Customer Services has increased. Customer Services has become more of a 'process and order fulfilment' function able to process customer requests efficiently and correctly across a range of channels
- Front office is consolidated with a single front door for all agreed Council services. The contact centre delivers 100% of first contact Council services. Customers contact one number or series of golden numbers to access all initial Council services. Some partner delivery is demonstrated, particularly for face to face services
- A single new multi-service and multiple use CSC is in place which may be co-located with an existing library, or provided on an alternative site. The CSC is a vibrant and exciting mixed use community building providing targeted support to customers. The CSC is complimented by a network of smaller community hubs / offices which provide specific face to face services where need is required
- The Council has implemented a single customer portal that allows customers to create an online personalised account (i.e., 'My Haringey' or 'My Account'), complete

automated transactions and view the status of their accounts in Haringey's business applications. Through this account the Council has access to a unified record of customer transactions, which provides valuable insight into resident needs and behaviours. The account is also available to partners. A member portal is available to support complaints and enquiry handling

- Alongside the portal, a contact management platform between the front and back office which is integrated into telephony and LoB applications is in place. This captures key customer transactions independent of the channel (i.e. CSC, contact centre) and drives workflow between the front and back office where transactions are not 'one and done'. The platform provides valuable insight into customer contact demands and patterns which enables the Council to design, target and build services around customer needs
- Processes have been redesigned end to end to include elements of process automation so information does not have to be manually rekeyed from one system to another.
- Staff are multi skilled in the contact centre, but are thematically grouped around client need and transaction type which enables individuals to build skills and knowledge relevant to a particular strand of customer service work. Customer Service staff are supported by better access to back office specialists to ensure high levels of first contact resolution
- Customer service staff can operate in both the contact centre and CSC / community offices so that Customer services can better align resources with demand.

**The business case does not include detailed costs and benefits for development a new Customer Service Centre (CSC) facility and a network of community offices to support face to face customer contact. Implementation of the Customer Services interim TOM for major changes to face to face Council services (incorporating wider property considerations such as regeneration) will be covered by a separate business case.**



## 2 STRATEGIC CASE

This section sets out the rationale for, and broad objectives of the programme, with the aim of describing its fit with the Council's wider vision and strategy.

### 2.1 Why change?

The development of a new vision, strategy and operating model for Customer Service is set within the context of the Council's corporate plan to 2015 called One Borough, One Future. The plan sets out delivery of four key outcomes which are:

1. Outstanding for all: Enabling all Haringey children to thrive
2. Safety and wellbeing for all: A place where everyone feels safe and has a good quality of life
3. Opportunities for all: A successful place for everyone
4. A better Council: Delivering responsive, high quality services, encouraging residents who are able to help themselves

These outcomes will be delivered through a number of key priorities – 12 in total. The CST programme supports delivery of all outcomes, but in particular the outcome to deliver a better Council and priority 10 which includes:

**Priority 10: Ensure the whole Council works in a customer focused way by:**

- Adopting a strategic approach to prevention and help
- Adopting a 'digital by default' approach where appropriate
- Ensuring that we effectively understand our customers
- Ensuring all Council staff act as ambassadors for the Council and frontline staff act as 'eyes' for the Council as a whole

### 2.2 Enabling and supporting other Council priorities and projects

Delivery of the OBC enables and supports delivery of other Council (current and future) priorities and projects, namely:

- Haringey 54,000 - CST programme will deliver a new front door for the Council and new enabling self-service technologies which will support a new front door for Children's services
- Tottenham regeneration - CST programme supports digital inclusion for all customers and will encourage wider social inclusion to access other services (public and private) digitally in Tottenham
- Corporate infrastructure / smart working / asset redevelopment - CST programme will release headcount and reduce office space requirements alongside development of a new CSC which is collated with an existing Council or partner asset

- Range of local digital projects – supports Council departments and services in developing their self-service offering
- Balance Council budget and savings - CST programme will deliver financial savings and reduce baseline cost of current service
- Universal Credit (UC) – will transform current means of applying for Housing Benefits and supports move to on line applications only, a key feature of UC.

The OBC also supports other Council current and future strategies including Haringey's emerging Digital strategy which sets out how and why we must drive our services, businesses, citizens and communities to embrace the benefits of going online.

## 2.3 Drivers for change

The main drivers in developing the interim TOM and business case are:

- **Improving customer experience and channel performance.** Although the Council strives to deliver the best possible customer service, there are key areas for improvement with the current Customer Service operating model. This includes multiple front doors and systems, low levels of process automation and end to end transactions completed online, high volumes of unnecessary (avoidable) contact and duplications between front and back office, mean that the customer experience and performance of our contact centre, CSCs and contact handling teams is not always consistent and good. Delivering the TOM will improve the customer journey by providing a more personalised and efficient contact experience and will provide a real focus to improve channel performance
- **Fully exploiting new digital opportunities and tailoring services to need.** We live in a new digital age whereby advances in technology have made services and information far more accessible in every aspect of individual and community life. Furthermore, major reductions in funding over recent years has placed Haringey Council under significant pressure to 'do more for less'. The TOM provides the opportunity to fully exploit new and more efficient ways customers can contact us, the opportunity for greater digital inclusion in Council and other local services (and facilitates wider social inclusion), to fully enable customers to help themselves, deliver cost savings and target support to those customers who really need it. This is supported by central government strategy and policy, notably the Cabinet Office's Government Digital Strategy published in November 2012 which makes clear that the potential savings from channel shift are significant and the drive to make services 'digital by default'
- **Working in partnership.** Delivering the TOM will greatly enhance our ability to work with partners to ensure a common front door to public services and seamless approach to service delivery in Haringey. In developing a shared vision we will need to work closely with a wide range of partners (public sector, business, community and voluntary sector) to explore opportunities for delivering services in partnership
- **Encourage customers to benefit from more efficient ways to access service.** Customer expectations are rising and when and where services are accessed is changing. Working patterns, use of technology and lifestyles have changed, resulting in different expectations in terms of how local authorities provide access to their services. Rising internet use and customer expectations of accessing public services online and in one visit / transaction present an ongoing opportunity for the Council. Satisfying these needs and expectations must be balanced against the Council's finite resources for delivery.

## 2.4 CST programme

The CST programme will enable the Council to respond to both the internal and external drivers for change outlined above. Furthermore, the programme represents a coordinated approach to delivering the interim TOM, as outlined above. The main objectives of the CST programme are to:

- Define and develop the access strategy, future operating models and business case for the transformation of Customer services. These will need to be maintained and updated during the lifetime of the CST programme.
- Implement key operational improvements to Customer services to provide a level of stability to, and increased confidence in the operation prior to consolidation, and ensure the benefits of service development are fully realised
- Design and implement future changes to services and access channels in line with the access strategy and operating models agreed
- Define, develop and implement a programme of culture change both internally and externally to support the new customer services vision and future operating models

### 3 ECONOMIC CASE

The focus of this section is to identify, evaluate and recommend the option or options which presents the best fit for delivering the Council's vision and interim operating model.

#### 3.1 Options considered

The following options have been considered in developing this business case.

##### Option 1 - Do Nothing

This option represents no change from the status quo and delivers no aspect of the operating model. It would provide limited change to current ways of working, and consequently no benefits (of any substance) for the Council. Whilst the change impact of this option would be the lowest, it represents a high risk course of action when taken over the medium term, as service quality and channel performance are likely to fall (in relative terms).

##### Option 2 – Customer Service consolidation with stand-alone web based initiatives delivered on a department by department basis

This option delivers some aspects of the interim TOM and focuses delivery on the consolidation and transfer of activity to Customer Services and the transformation of the new services through small process changes and economies of scale in managing all front office staff centrally. This option includes:

- Support to deliver key operational improvements in Customer Services prior to consolidation and the organisational changes required to deliver the interim TOM
- Consolidation all contact handling teams for Council services identified in section 1.3 to Customer Services (contact centre and CSCs)
- Delivery of (relatively) small changes to Wood Green CSC to support self-service and the consolidation of contact handling teams. This includes new PC's for self-service, a payment kiosk and cosmetic changes to improve signage, look and feel
- Delivery of (relatively) small technical changes to the Contact Centre including the introduction of an automated switchboard
- Support to deliver internal staff and external customer behaviour change
- Development of the Council's web based offering through the implementation of stand-alone initiatives (i.e. web forms) by departments on a project by project basis.

The main financial benefits delivered would be in Customer services (front office) through better contact handling with some limited channel shift benefits in certain service areas (around 15-25% of the total benefit potential).

##### Option 3 – Transformation of Customer Services via corporate wide process and technology change

### Option 3a - CRM led solution

This option includes the features in option 2 but delivers more aspects of the interim TOM through transformation of Customer services via corporate wide process and technology change. This options includes the Council buying a new Customer Relationship Management (CRM) system integrated with online customer self-service facilities and key Line of Business (LoB) through 'point to point' integration. This options delivers deeper levels of process change in the front and back office through a redesign of end to end processes and the automation of key transactions.

This option includes indicative IT costs (provided in late 2012) in Haringey adopting the Joint Development Partnership (JDP) Solution. Havering, Newham and Waltham Forest have formed the JDP to develop a technical platform to deliver front office transformation, namely a CRM system (Microsoft Dynamics<sup>3</sup> and Microsoft SharePoint), integrated with online customer self-service facilities (Microsoft SharePoint) and key LoB application integration capabilities (via Microsoft BizTalk).

This option also includes mainly service specific system enhancements which support delivery of the Customer Services operating model. This includes:

- Introduction of Risk Based Verification (RBV) tool to simplify benefit processing with a real time risk assessment of benefit claims
- Upgrade to the current complaints management system to support self-service and more efficient case management
- A new online appointment booking system.

The main financial benefits in this option will be delivered will be in Customer Services and back office services areas through better contact handling, channel shift, process re-engineering and process automation.

### Option 3b – Digital Platform led solution

This option achieves the same business transformation objectives as option 3a, but with a slightly different focus and emphasis through the use of an alternate platform. Option 3b would involve the Council buying a digital platform with end to end self-service transactions and associated contact management to deliver transformational change. This provides a single platform for managing all customer contact via a personalised online 'My Haringey' digital account for customers. Digital platforms have many similarities with CRM systems, the main differences are:

- Availability of online transactional services that are tailored for local authority business processes, potentially enabling a more rapid mobilisation of web and mobile capabilities.
- Lighter weight CRM and process capabilities. Where CRM solutions are designed to capture customer contact via a Customer services agent (contact centre, CSCs, back office fulfilment) and pass off to the back office through workflow, digital platforms are focused on customer completing transactions themselves via self-service and process automation.
- CRM solutions are strong in workflow management, work allocation and scripting of phone calls to give a common standard for handling fairly generic enquiries. Digital platforms try and eliminate as far as possible phone calls and the involvement by front office / back

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<sup>3</sup> A significant portion of these costs relate to Microsoft product licensing, which might be significantly reduced if the Council enters into an Enterprise Agreement or equivalent with Microsoft.

office staff in the business process. Consequently a digital platform will have less strength in automating and supporting those business processes that need to remain people-led.

- Digital platforms have a potentially faster and lower cost implementation than full CRM solutions.

Indicative IT costs have been used in Haringey adopting the Agilisys Digital Platform which includes a single online portal and a suite of pre-built modules delivering true self-service for a number of key local authority transactions. All of the transactions are available as fully integrated to the LoB applications.

### 3.2 SWOT analysis

A SWOT analysis for each of the options above are provided on page 17.

### 3.3 Costs and financial benefits

The main financial benefits for each of the options are derived from a combination of:

- Contact handling – Mainly front office staff savings through **economies of scale** at the Contact Centre and Customer Services Centre (CSCs), multi skilling of agents and improved contact handling. We have assumed a 15% multi-skilling benefit can be delivered against the total potential benefits available across all areas
- Channel shift – Front and back office staff savings through a reduction in **volumes** of face to face enquiries, telephone calls and emails as more transactions are completed online and through a mobile phone. For the purposes of this OBC, we have assumed that up to 61% (using ONS UK online banking statistics as a proxy), will channel shift for those transactions digitally enabled. We believe that this is achievable based on:
  - Recent uptake in web contact and transactions being completed on the Haringey website. Total web visits are up by nearly 13% since last year and 23% across key transactions
  - An estimated 60-80% of customers have access to and / or preference for using the internet and 87% of customers have access to a mobile phone in Haringey<sup>4</sup>
  - Experience from other local authorities (including Hammersmith & Fulham, Islington and Barking & Dagenham) who are experiencing a big uptake in digital channels
  - The introduction of new 4G technologies which will increase the speed and capacity for customers to access a wider range of services on the web via a mobile phone, tablet and laptop.

To achieve this may require the Council to change policies to support channel shift – making it the default channel for transactional services.

- Process re-engineering and automation – Mainly for those transactions digitally enabled, staff savings through a reduction in front and back office processing **time** from reduced re-keying of data, removal of processes, on line validation of customer data, automated integration of transactions into Line of Business (LoB) systems, and reduction in progress chasing contacts.

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<sup>4</sup> Information provided by the Strategy and Business Intelligence Team from Haringey Council,

- Non staff related savings through a reduction in printing and postage costs as paper forms are replaced with digital.

These benefits have been profiled on a service by service basis. For the purposes of calculating financial benefits, although options 3a and 3b offer different types of technical solution, financial benefits have been profiled in the same way, albeit option 3a takes slightly longer to implement and achieve the full benefit potential. This means it is assumed that both solutions can offer the same level of functionality and benefits when the systems have been fully implemented. The main costs for each of the options are derived from a combination of:

- Investment costs to deliver the option<sup>5</sup>, including:
  - Main external and internal programme, project and enabling resources required to deliver the changes
  - IT hardware and software, including third party costs
  - Accommodation / infrastructure costs
  - Training
  - Materials to support internal and external communications, marketing and change in delivering new behaviours and channel shift
- System transition costs. This includes any potential costs for the double handling of systems during implementation.
- New ongoing costs as a result of delivery. This includes any new operational roles and ongoing costs and annual charges to support IT systems (i.e. support and maintenance)
- Contingency. This is to cover the risk of costs rising or unexpected costs appearing. We have set contingency at 5% of total cost

The main assumptions we have used in calculating the costs and benefits are in Appendix 1.

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<sup>5</sup> This does not include any potential staff redundancy costs

Options	Strengths	Weaknesses	Opportunities	Threats
Option 1 – Do nothing	<ul style="list-style-type: none"> <li>No disruption to the service</li> <li>No additional risk of drop in service performance</li> <li>No implementation costs apart from business as usual changes</li> </ul>	<ul style="list-style-type: none"> <li>Not deliver TOM</li> <li>No improvements in service performance</li> <li>No cost efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>Establish a better baseline in current service performance for transformation in the future</li> </ul>	<ul style="list-style-type: none"> <li>Service performance could further reduce.</li> </ul>
Option 2 – Customer Service consolidation with stand-alone web based initiatives delivered on a department by department basis	<ul style="list-style-type: none"> <li>Does not involve big IT implementation which could over run</li> <li>Lower implementation costs</li> <li>Enables some performance and productivity improvements to be delivered</li> <li>Speed of implementation ensures perceived benefits are delivered quickly</li> </ul>	<ul style="list-style-type: none"> <li>Only partially delivers TOM – not develop single portal</li> <li>Does not full address main drivers for business case</li> <li>Does not deliver end to end process re-design - some cost efficiencies in consolidation</li> </ul>	<ul style="list-style-type: none"> <li>Paves the way for option 3 or 4</li> <li>Change seen as more gradual and possibly more sustaining</li> </ul>	<ul style="list-style-type: none"> <li>Would not deliver the full transformation expected by senior management and Members</li> <li>Would not deliver substantial improvements in customer satisfaction</li> </ul>
Option 3a – Transformation of Customer Services via corporate wide process and technology change - CRM led solution	<ul style="list-style-type: none"> <li>Delivers many / all aspects of the TOM</li> <li>Enables significant performance improvements and efficiencies to be delivered</li> <li>Compiles a single view of all transactions</li> <li>Comprehensive functionality used by many local authorities, particularly in the UK</li> </ul>	<ul style="list-style-type: none"> <li>High costs and resource heavy to implement</li> <li>Perception of CRM is not positive in Council</li> <li>Potentially longer timescales to implement</li> <li>CRM solutions are designed to capture customer contact and pass off to the back office. They are process driven, not always customer experience driven</li> <li>Uncertain if this will achieve “digital by default” at acceptable cost and time, and so maximise benefits in the timescales proposed.</li> </ul>	<ul style="list-style-type: none"> <li>Enables learning from other local authorities</li> <li>Greater support as seen as more of a ‘traditional’ solution</li> <li>Costs may be lower than provided in 2012</li> </ul>	<ul style="list-style-type: none"> <li>Services cannot support full Business Process Reengineering (BPR) required</li> <li>Longer timescales could delay benefits realisation</li> </ul>
Option 3b – Transformation of Customer Services via corporate wide process and technology change – Digital Platform led solution	<ul style="list-style-type: none"> <li>Delivers many / all aspects of the TOM</li> <li>Enables significant performance improvements and efficiencies to be delivered</li> <li>Single view of transactions. Directly integrates transactions into LoB application</li> <li>Timescales to implement and deliver benefits likely to be less than a CRM solution</li> </ul>	<ul style="list-style-type: none"> <li>Digital products still in development and do not provide a full digital solution for all service areas at this stage</li> <li>May require some customisation or complementary software to provide CRM capabilities for transactions that must remain manual.</li> </ul>	<ul style="list-style-type: none"> <li>Council can become an early adopter of a digital solution in the UK</li> <li>Provide a platform to share and integrate with partners</li> <li>Can deliver greater savings through higher levels of digital take up</li> </ul>	<ul style="list-style-type: none"> <li>Does not deliver planned channel shift benefits</li> <li>Members do not fully support move to self-service</li> </ul>



A breakdown of the main costs and benefits for each option is in Appendix 2. Financial benefits and costs remain indicative and will be subject to further validation when completing the Full Business Case (FBC). In summary:

Options	Financial Benefits to 2018/19 <sup>6</sup>	Costs to 2018/19	Payback	Benefit to cost ratio
Option 1 – Do nothing	£0	£0	0	0
Option 2 – Customer Service consolidation with stand-alone web based initiatives delivered on a department by department basis	£3.58 million	£2 million	3 years and 1 month	1.78 (£1.78 back for every £1 invested)
Option 3a – Transformation of Customer Services via corporate wide process and technology change - CRM led solution	£8.43 million	£6.37 million	4 years and 3 months	1.32
Option 3b – Transformation of Customer Services via corporate wide process and technology change – Digital Platform led solution	£9.17 million	£4.43 million	3 years and 1 month	2.07

Benefits shown are cumulative covering the period 2018/19 and represent an annual reduction in the costs of service (Customer Services and other back office services) over 5-6 year period.

### 3.4 Comparison with current running costs for Customer Services

There is also no consolidated view across all services for the cost of Customer Services activity. Annual running costs for the contact centre (£2,714,000) and CSCs (£2,020,500) are known but this does not include all the additional service contacts in the Council not delivered through these channels. As an additional guide, data published from local authority professional association Socitm<sup>7</sup> in 2011 from a survey of 200 Councils, shows the average cost of servicing enquiries through three main access channels. This is shown below together with the estimated costs for Haringey using the volume information in 3.2

Options	Face to face enquiry	Telephone enquiry	Web visit	TOTAL
Socitm average cost per transaction	£8.62	£2.83	£0.15	
Potential Haringey costs	£2,203,643	£2,152,223	£59,769	£4,415,636

This shows the high costs of face to face and telephone contact when compared to the web and the potential for financial savings through channel shift. Given this is a partial picture on volumes and does not provide a full forecast of cost across all channels, it is reasonable to assume that the current annual cost of customer service activity in Haringey is somewhere between £7–£9 million.

<sup>6</sup> This includes 3 FTE pre-agreed savings for Traffic management which this OBC will support and enable. This does not include Homes for Haringey

<sup>7</sup> Socitm is the association for ICT and related professionals in the public and third sectors.

Assuming for option 2 that 90% of the benefits are in Customer Services and 10% are in the back office, and a 60/40 split for option 3 (i.e. 60% of benefits will be in Customer Services, 40% will be in the back office) , this will reduce the annual running costs of Customer Services by 2018/19 as follows:

Options	Estimated current costs for Customer Services	Estimated annual saving by 2018/19 in Customer Services	Estimated future cost for Customer Services by 2018/19	% reduction in cost of Customer Services	Estimated annual saving by 2018/19 in other back office service areas
Option 1 – Do nothing	£7-£9 million	0	£7-£9 million	0	£0
Option 2 – Customer Service consolidation with stand-alone web based initiatives delivered on a department by department basis	£7-£9 million	£0.72 million	£6.3-£8.3 million	10%	£0.079 million
Option 3a – Transformation of Customer Services via corporate wide process and technology change - CRM led solution	£7-£9 million	£1,51 million	£5.5-£7.5 million	22%	£1 million
Option 3b – Transformation of Customer Services via corporate wide process and technology change – Digital Platform led solution	£7-£9 million	£1,51million	£5.5-£7.5 million	22%	£1 million

### 3.5 Non-financial benefits

The options will also deliver a number of non-financial benefits including:

Options	Main anticipated non - Financial Benefits
Option 1 – Do nothing	N/a
Option 2 –Customer Service consolidation with stand-alone web based initiatives delivered on a department by department basis	<ul style="list-style-type: none"> <li>• Increase in first time resolution of enquiries</li> <li>• Increase in customer and staff satisfaction</li> <li>• Increase in % of customers seen at the CSCs within 20 minutes</li> <li>• Increase in % calls answered against calls presented in contact centre</li> </ul>

Options	Main anticipated non - Financial Benefits
Option 3a and 3b – Transformation of Customer Services via corporate wide process and technology change	<ul style="list-style-type: none"> <li>• Increase in first time resolution</li> <li>• Increase in customer and staff satisfaction</li> <li>• Increase in % of customers seen at the CSCs within 20 minutes</li> <li>• Increase in % calls answered against calls presented in contact centre</li> <li>• Increase in % take up of digital channels</li> <li>• Development of key metrics and intelligence information on customer demands and patterns</li> <li>• Average time taken to complete end-to-end service delivery (designated services)</li> <li>• Increased awareness of reasons for contact and root causes of failure demand for the services to allow them to better plan service offerings</li> <li>• Better ward based information regarding use of Council services to support democratic process</li> <li>• Opportunity for greater resident involvement in service design</li> <li>• Higher levels of partner involvement through use of portal technology – improving access to partner services</li> <li>• Improved and more rapid feedback to residents and consumers of the service on raised issues, complaints, applications and service requests</li> </ul>

Some key measures and indicative non-financial targets that both options 2 and 3a / 3b could deliver are shown in the table below. These are illustrative at this stage and will need to be agreed as part of the development of the FBC. A view on whether the options partially or fully delivers the non-financial benefit is also provided.

Measure	Baseline	2014/15	2015/16	2016/17	2017/18	2018/19	Option 2	Option 3a / 3b
First time resolution <sup>8</sup>	77%	85%	88%	90%	90%	95%	Full	Full
Customer Satisfaction <sup>9</sup>	TBA	65%	75%	80%	85%	90%	Partial	Full
Staff Satisfaction	TBA	65%	75%	80%	85%	90%	Partial	Full
% of customers seen at the CSCs within 20 minutes <sup>10</sup>	70%	78%	80%	82%	85%	85%	Partial	Full
% calls answered against calls presented in contact centre <sup>11</sup>	76%	92%	93%	94.5%	94.9%	95%	Full	Full
% take up of digital channels (as a proportion of the overall initial Council contact)	22%	30%	35%	45%	50%	60%	Partial	Full

### 3.6 Risks and sensitivities

The main risk and sensitivities in relation to each option are shown below. Most of the risks in options 3a and 3b are relevant for either option are not specific to a CRM or digital solution.

<sup>8</sup> KPI agreed without formal definition in place.. Definition currently used is percentage of contact made to customer services that would not require a subsequent contact being made regarding the same issue/episode

<sup>9</sup> Will be based on surveys undertaken within Customer services through, IVR, exit surveys and call-backs

<sup>10</sup> Figures provided by RBCS KPI's for April 2013

<sup>11</sup> Figures provided by RBCS KPI's for April 2013

Options	Risk Analysis				Sensitivities	
	Risk	Prob	Impact	Mitigation	Sensitivities	Impact
Option 1 – Do nothing	Service performance does not improve	High	Medium	Adopt options 2-3	N/a	N/a
	Council saving targets not met	High	Medium	Adopt options 2-3	N/a	N/a
Option 2 – Customer Service consolidation with stand-alone web based initiatives delivered on a department by department basis	Cannot deliver planned contact handling multi-skilling benefits through consolidation	Medium	High	Agree with Customer Services and service before consolidation begins	Cannot achieve full 15% multi-skilling benefit.	Impact of only a 5-10% contact handling benefit would be to reduce the financial saving by £1million
	Viewed by Members as insufficient to drive change required	Medium	High	Effectively set expectations of stakeholders		
	End to end customer improvement not achieved due to lack of re-engineering	High	high	Increasing MI to provide evidence to services of need to improve		
Option 3a – Transformation of Customer Services via corporate wide process and technology change - CRM led solution	Costs of implementation higher than anticipated	High	Medium	Confirm final pricing before implementation commences. Build in contingency at this stage in cost estimates. We have built in 5% contingency costs.	Costs are 10% higher than anticipated	Cost would increase by £300k
	Services unable to support BPR activities due to lack of capacity or other priorities	Low	High	Effective communication and joint planning with early notice of requirements and timescales. Back-filling key resources to sustain service delivery		
	CRM Implementation is delayed or takes longer than planned and financial benefits are not delivered quickly enough	High	High	Agree benefit realisation plan with CRM supplier and services. Monitor and report regularly.		
Option 3b – Transformation of Customer Services via corporate wide process and technology change – Digital Platform led solution	Lower than forecast take-up of digital channel	Medium	High	Invest in promotion of digital channel to customers with each service to consider triggers and motivations for each transaction, and devise a strategy to drive take up.	Take up of the online option is half of our assumption of 61%	Impact on the business case would be to reduce the financial savings by up to £3m to 2018/19
	The implementation of Universal Credit reduces the financial benefits the programme can claim for reducing housing benefit	High	High	Monitor progress of Universal credit. Make prudent assumptions as part of development of FBC.	Universal Credit is implemented in the next 2-3 years	Impact on the business case would be to reduce the financial savings by up to £1.5m-2M to 2018/19
	Some CRM capabilities may be required as part of the digital solution increasing costs and timescales to implement	Medium	High	Detailed options appraisal and market test. We have built in 5% contingency costs	Costs are 10% higher than anticipated	Cost would increase by £210k

In addition, a potential impact on delivery of options 3a and 3b could be that although the systems are designed to reduce contact and the time taken to complete business processes (through automation) there is the potential to increase the volume of contacts and activity in certain service areas. This will need to be fully tested at FBC stage to determine the impact and sensitivity.

### 3.7 Options analysis and recommendation

Option 1 represents no significant improvement on the status quo, and is unlikely to offer any progression in terms of customers' perception of Council services and achievement of the Council's aims. Because this option does not support the Council's strategic or financial objectives it could only be considered if all other options were unviable.

Option 2 is the cheapest option and would provide improved customer service, but would still offer a relatively 'shallow' service to customers. It would provide a platform on which to build, but it is unlikely that a consolidation solution alone would produce the real improvements sought. This option would improve the range, depth and quality of services in Customer Services, but without a corporate focus on self-service, a key part of the interim TOM would not be fully delivered and the benefits that can be driven from end to end BPR will not be achieved. In short this model has potential to deliver improved customer service, but at an operational cost that would be at best stable in the short term, increasing in the long term.

Options 3 provides the greatest potential benefits from a broad and deep front office, highly skilled staff, single portal to drive self-service transactions, integration into LoB applications, and process automation delivering end to end service improvements. They provide the opportunity for the Council to reduce cost (in the front and back office), while providing a strengthened customer service to all and additional support to those who need it most. While these options require the most investment and will be a challenge to the Council, they will deliver significant financial and non-financial benefits which will have a big impact on the perception of the service and will engage the whole Council in the transformation programme. Re-engineering services end to end alongside a more sophisticated technical implementation will also ensure the Council is able to build capacity which can then be directed into providing increasingly richer and effective front line services.

As the longer term access strategy is 'digital by default' this suggests that any systems investment should be 'CRM light' with the focus being on maximising customer self-service. On the basis of the analysis in the OBC, option 3a is more expensive (mainly due to systems investment) and the time taken to achieve benefits is longer, than in option 3b. **However, it is recommended that both options are taken forward and subject to a more detailed systems options appraisal so that a full functional, technical and commercial assessment can be undertaken.** The programme team propose to distinguish between option 3a and option 3b by undertaking the following activities:

- An assessment and prioritisation of portal / contact management requirements, based on the outline service design activity that has been undertaken already and is continuing between now and the end of calendar 2013
- Determine the most appropriate approach to procure the new technology
- Go to market to select the product(s) that best meets the Council's requirements.

The outcome of this assessment together with the findings of the outline design of the operating model in the other in scope service areas should be taken forward in development of the FBC.

## 4 FINANCIAL CASE

This section provides a high level analysis of the affordability of the preferred options - 3a and 3b, including a more detailed breakdown of potential costs and details of how the programme will be funded.

### 4.1 Estimated programme costs

The main programme capital and revenue costs relate to resources (internal and external), IT, training and accommodation / infrastructure. The total programme costs are estimated between £4,226,181 and £6,09,962 to 2018/19 depending on the options. The annual profile of costs are shown over page in table 1 and includes:

- External and internal resources – External resources have been included based on the agreed profile of support to be provided through the transformation partnership (see section 6). This may be refined as the programme progresses. Major internal resources commitments, such as the CST programme sponsor, CST programme manager and programme support have been included as items of cost. Strictly speaking these are not additional cash costs to the Council; rather they are opportunity costs for the officers concerned. Where Council staff may be called upon to contribute some amounts of their time to the programme these have not been separately costed, on the basis that it is reasonable to assume that these activities will be absorbed into day to day activities.
- IT - There are a number of specific IT requirements for the programme. These include the capital costs of new portal / contact management platform, telephony and service specific system enhancements. An estimate has also been made of ongoing ICT revenue costs to support the annual support costs for IT delivery. Some of these costs include additional support required to existing / expanding infrastructure and new support required to new systems being deployed. These requirements and costs will be refined in developing the FBC
- Accommodation / Infrastructure - This includes the costs to develop the self-service offering at Wood Green CSC, the development of the contact centre technology infrastructure as new services are migrated in, and other mainly cosmetic changes and additional furniture requirements in the contact centre and CSC.
- Training / Communication - This includes training of front and back office staff in the new systems and processes and the costs of marketing and communication materials to support behaviour change and the take up of the new digital channels.
- Staff redundancy - An estimate of the main redundancy costs have not been included in the OBC as these will be met centrally from the redundancy reserve.

Capital Costs	2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		TOTAL RANGE	
	Range (£)		Range (£)		Range (£)		Range (£)		Range (£)		Range (£)		Option 3b	Option 3a
	Option 3b	Option 3a	Option 3b	Option 3a	Option 3b	Option 3a	Option 3b	Option 3a	Option 3b	Option 3a	Option 3b	Option 3a	Option 3b	Option 3a
External Resources (Programme and Project)	£413,135	£413,135	£635,500	£635,500	£135,000	£303,750	£0	£0	£0	£0	£0	£0	£1,183,635	£1,352,385
Internal Resources (Programme and Project)	£133,600	£133,600	£328,867	£438,867	£111,289	£340,400	£0	£0	£0	£0	£0	£0	£573,756	£912,867
IT Hardware / Software / Telephony	£0	£0	£713,500	£1,909,500	£0	£0	£0	£0	£0	£0	£0	£0	£713,500	£1,909,500
Accommodation / Infrastructure	£0	£0	£96,360	£96,360	£0	£0	£0	£0	£0	£0	£0	£0	£96,360	£96,360
<b>Sub Total</b>	<b>£546,735</b>	<b>£546,735</b>	<b>£1,774,227</b>	<b>£3,080,227</b>	<b>£246,289</b>	<b>£644,150</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£2,567,251</b>	<b>£4,271,112</b>
Revenue Costs	2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		TOTAL RANGE	
	Range (£)		Range (£)		Range (£)		Range (£)		Range (£)		Range (£)		Option 3b	Option 3a
	Option 3b	Option 3a	Option 3b	Option 3a	Option 3b	Option 3a	Option 3b	Option 3a	Option 3b	Option 3a	Option 3b	Option 3a	Option 3b	Option 3a
Training	£11,250	£11,250	£75,000	£75,000	£0	£0	£0	£0	£0	£0	£0	£0	£86,250	£86,250
Comms / marketing / change materials	£25,000	£25,000	£75,000	£75,000	£0	£0	£0	£0	£0	£0	£0	£0	£100,000	£100,000
New ongoing costs as a result of delivery	£0	£0	£0	£0	£329,190	£403,150	£379,190	£403,150	£379,190	£403,150	£379,190	£403,150	£1,466,760	£1,612,600
<b>Sub Total</b>	<b>£36,250</b>	<b>£36,250</b>	<b>£150,000</b>	<b>£150,000</b>	<b>£329,190</b>	<b>£403,150</b>	<b>£379,190</b>	<b>£403,150</b>	<b>£379,190</b>	<b>£403,150</b>	<b>£379,190</b>	<b>£403,150</b>	<b>£1,653,010</b>	<b>£1,798,850</b>
<b>Overall Total</b>	<b>£582,985</b>	<b>£582,985</b>	<b>£1,924,227</b>	<b>£3,230,227</b>	<b>£575,479</b>	<b>£1,047,300</b>	<b>£379,190</b>	<b>£403,150</b>	<b>£379,190</b>	<b>£403,150</b>	<b>£379,190</b>	<b>£403,150</b>	<b>£4,220,261</b>	<b>£6,069,962</b>

Table 1: Summary of annual capital and revenue costs

This does not include any contingency costs.

## 4.2 Capital and revenue funding

To date, the Council has agreed the following capital funding for the CST Programme (and associated transformation programmes activity) to cover external programme and project support resources:

- £505,000 for 2013/14
- £1,500,000 indicative for 2014/15

Members have agreed to allocate £811,000 up to November 2014 with the option to renew an equivalent amount to November 2015 (total of £1.6 million) for external resources. The capital costs not included in this procurement decision (i.e. internal resources, IT, telephony and infrastructure) have a range of between £1,383,616 and £2,918,727 and are not included in the £1.6 million. It will be necessary to make an additional capital bid of between £978,616 and £2,513,727 to cover the costs in the OBC as shown in the calculation below:

<b>Funding agreed and required</b>	2013/14	2014/15	2015/6	Total (Range where appropriate)	
Agreed capital funding for CST Programme	£505,000	£1,500,000		£2,005,000	
Less funding agreed for external resources				£1,600,000	
Funding remaining				£405,000	
Additional capital items not included in funding				£1,383,616	£2,918,727
<b>Additional capital bid required (additional costs less funding remaining)</b>				<b>£978,616</b>	<b>£2,513,727</b>

For additional revenue implications, training, communications and change materials, and the new ongoing costs as a result of delivery (mainly IT support) this equates to a range between £1,653,010 and £1,798,050 to 2018/19. These will be highlighted as part of the capital bid process.



## 5 COMMERCIAL CASE

This section considers how each of the main elements of the preferred option(s) will be procured and any other commercial aspects.

### 5.1 Procurement strategy

#### 5.1.1 External Resources

In June 2013, Haringey invited tenders for the provision of consultancy services to assist in the implementation of the CST Programme in accordance with the terms and conditions of the MCAS Framework. An evaluation panel was formed to formally evaluate all submitted bids. The membership for this panel was comprised of senior officers from Customer Services, Transformation, IT and Procurement, and the panel was chaired by the Assistant Chief Executive.

As a result of the evaluation scoring it was recommended that a decision be taken to appoint Agilisys as the preferred bidder. The contract will commence on October 1<sup>st</sup> 2013.

#### 5.1.2 IT

For the new portal / contact management platform, a more detailed systems options appraisal is required so that a full functional, technical and commercial assessment can be undertaken. Following this, a procurement exercise should be initiated in compliance with the Council's Contract Standing Orders and following advice from the Corporate Procurement Unit. Where appropriate existing framework agreements should be used.

#### 5.1.3 Other items

All other items to be purchased to deliver the OBC will be used undertaken using existing supplier agreements.

## 6 MANAGEMENT CASE

This section focuses on the delivery of the programme, including the approach to programme, project and change management.

### 6.1 Programme and change management approach

The strategy for delivering the whole programme is summarised as follows:

- Adopt a programme management approach based on the OGC's best practice guidance (Managing Successful Programmes)
- Use a best practice approach to change management with dedicated resources
- Individual projects will be managed using the principles of PRINCE 2 in a pragmatic and non-bureaucratic manner
- As a general principle, the Council will re-focus existing resources where possible
- Support will be provided on both programme/project management and change management to those managers charged with delivering specific aspects of the programme
- The CST programme will be led and driven by senior managers across the Council
- Programme and project teams will pro-actively manage risks and issues within a consistent process for identifying risk, allocating ownership and monitoring mitigation strategies to ensure that risk is actively managed.

The focus of the change management activity will be on how the impact of the changes brought about by the revised service provision will be managed across all the stakeholders inside and outside the Council. Some change management resources are available within the Council's organisation development area. These resources are limited and will need to be utilised carefully across all areas of the programme.

Similarly we believe that there will be a significant demand on the Council's existing HR and communication team – but subject to review as the programme proceeds and assuming that there is effective re-alignment of priorities, the Council has sufficient trained resources to support these aspects of the programme.

### 6.2 Project details

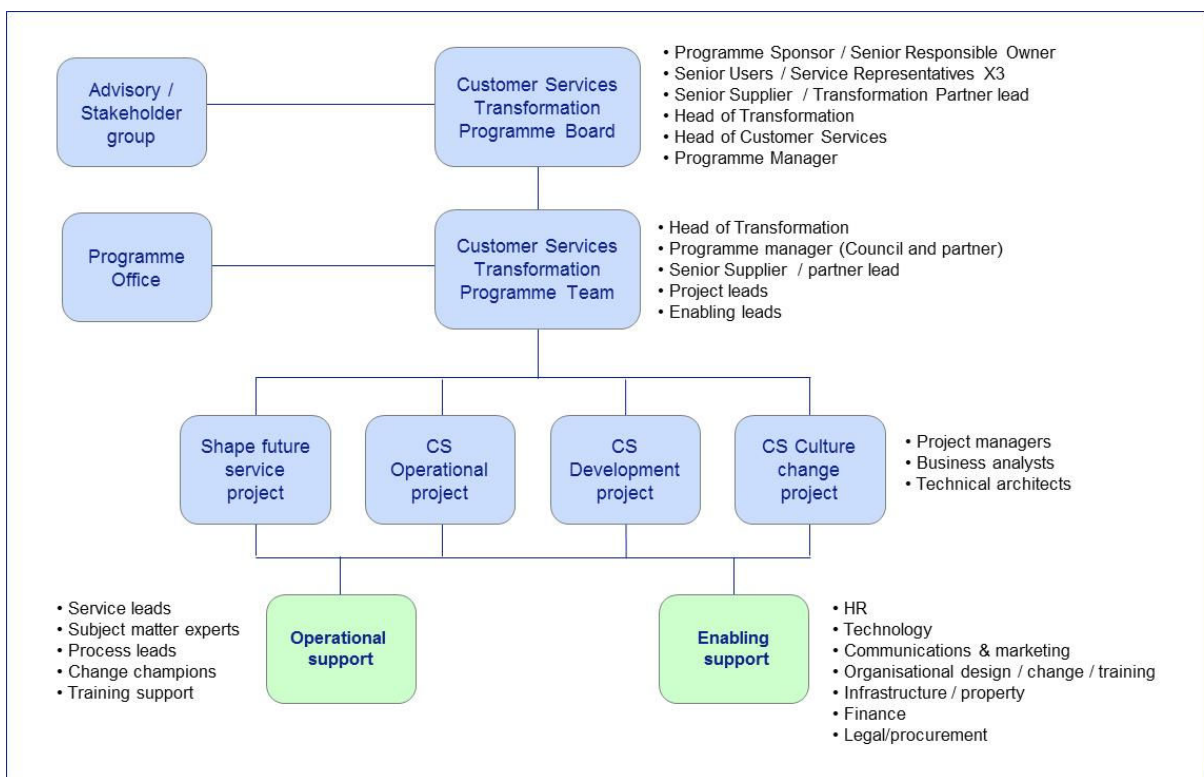
The main vehicle for delivering the customer services vision, strategic objectives, new channel design, operating model and culture / behavioural change is the customer services transformation (CST) programme. The CST programme was set up in May 2013 and is made up four projects:

- Shaping Future Service (SFS) - To define and develop the access strategy, operating models and business case for the transformation of customer services
- Customer Services Operational (CSO) - To implement key operational improvements to customer service to provide a level of stability to, and increased confidence in the operation prior to consolidation

- Customer Services Development (CSD)- To design and implement future changes to services and access channels (technical and non-technical) in line with the access strategy and operating models
- Culture Change - To define, develop and implement a programme of culture change both internally and externally to support the new customer services vision and future operating models

### 6.3 Governance

The diagram below shows our proposed new governance structure for the programme incorporating the four major projects:



The Customer Services Transformation Programme Board - provide overall direction to the programme setting out what is required, authorising work and monitoring progress. The programme board meet monthly and comprises the following core membership

Name	Position	Role
Stuart Young	Assistant Chief Executive	Programme Sponsor and Chair
Paul Ellicott	Head of Revenues, Benefits & Customer Services	Senior User / Quality Assurance
Julia McLure	Acting Head of IT	Senior User / Service representative

Name	Position	Role
Catherine Galvin	Head of Transformation	Senior Supplier (Haringey)
Kieron McQuade	Agilisys Programme lead	Senior Supplier (Agilisys)
Andrew Rostom	Programme Manager	CST Programme Manager
Katherine Heffernan	Head of Finance; Adults & Housing	Finance enabling lead

Customer Services Transformation Programme Team – will have day-to-day responsibility for delivering the programme, will focus on reviewing key deliverables from projects ensuing information is shared and linkages are made. The programme team will meet weekly and consist of:

- CST Programme manager
- Agilisys Programme lead
- Project Managers
- Enabling leads

Project boards and teams – at a minimum three project boards will be set up to oversee all project activities. The project boards will meet monthly and comprise sponsor, programme manager, project manager, service representative(s) and senior user (Customer Services representative). The project team will produce all the required deliverables and enable benefits to be delivered.

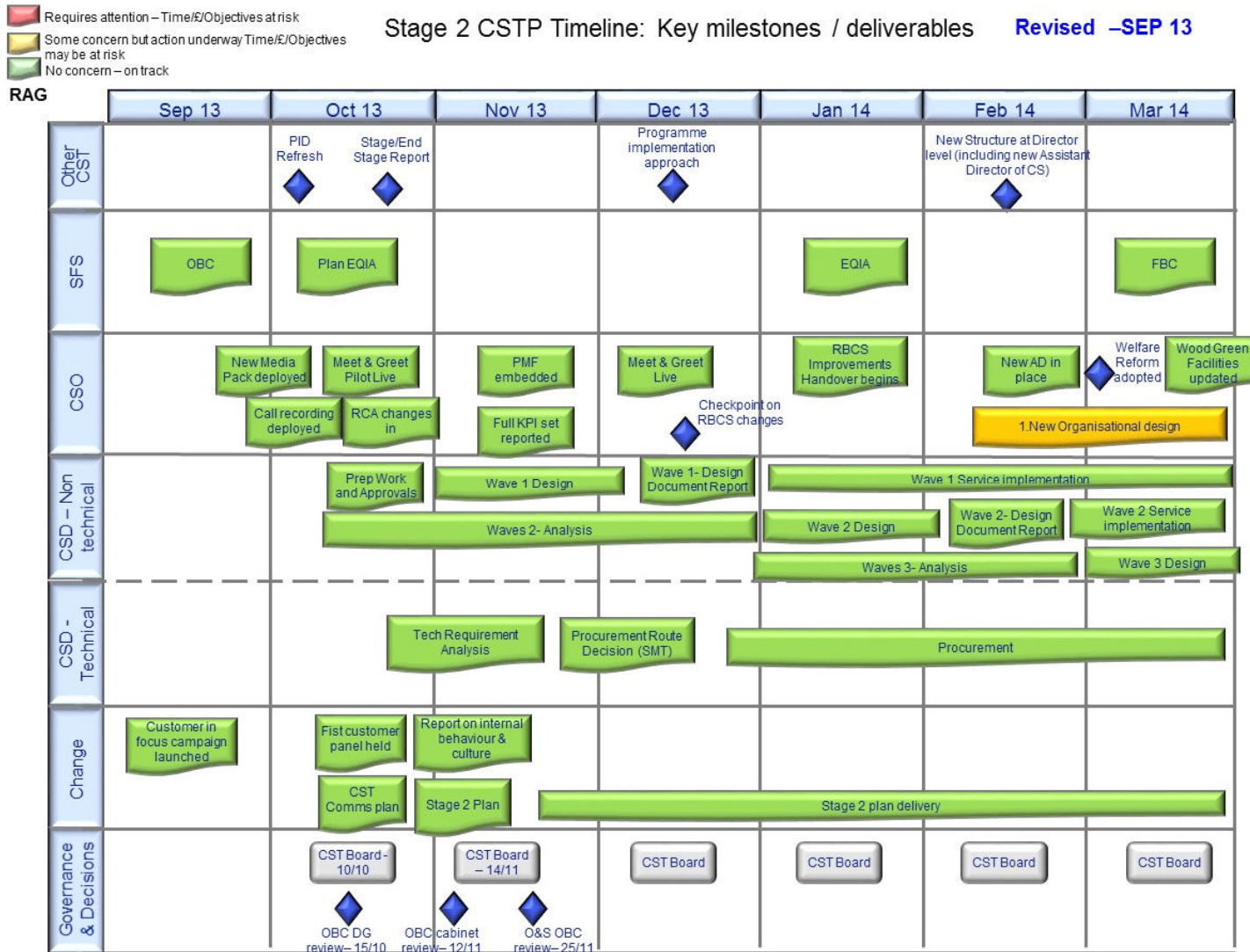
#### 6.4 Benefits management

Benefits Management is a process for identifying, calculating, validating and then tracking financial and non-financial benefits generated by specific projects. As part of the CST implementation, a benefits management process will be put in place to enable the tracking of implementation activity and their associated benefits through their lifecycle.

#### 6.5 Roadmap

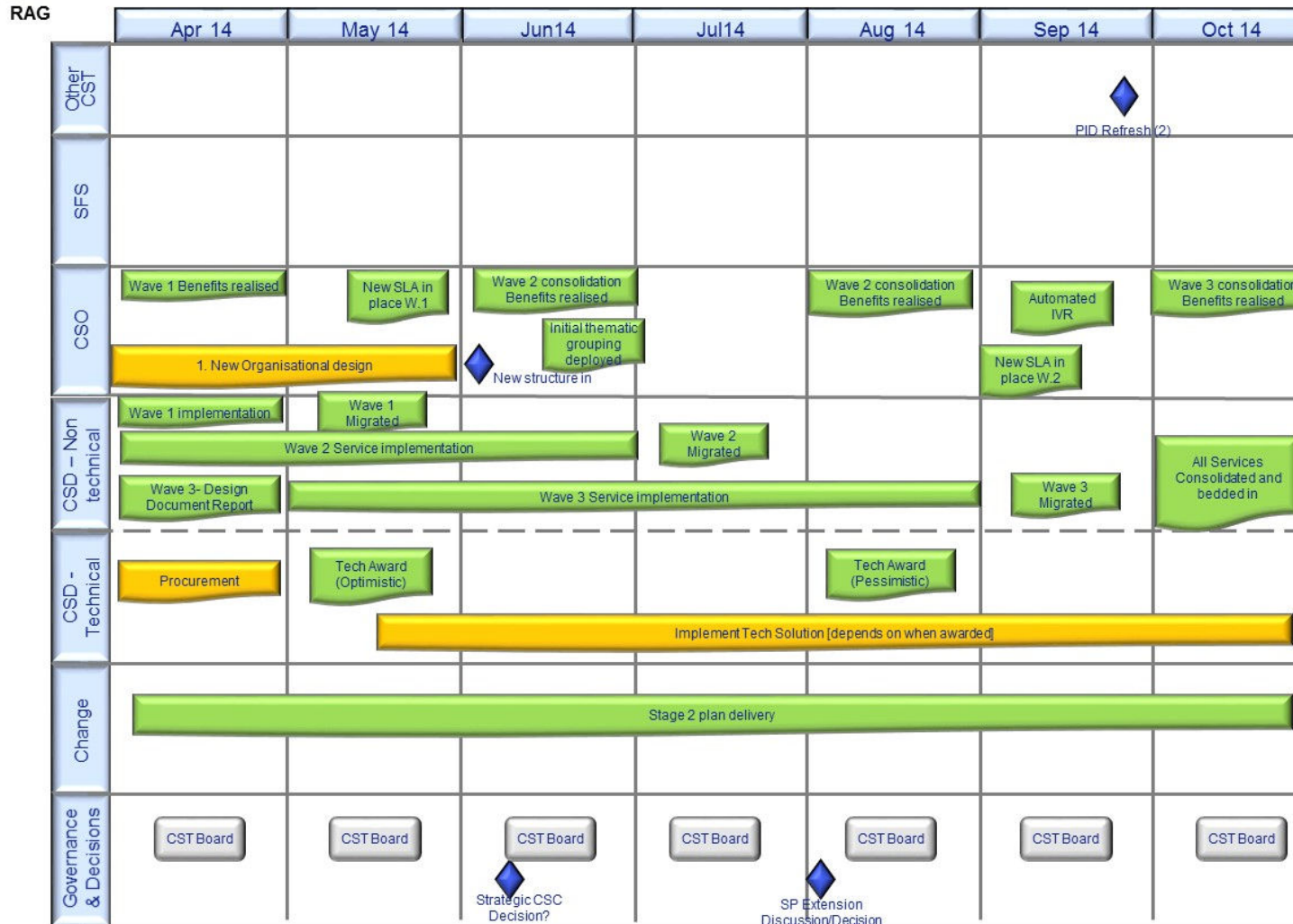
The overall programme plan for transformation is shown on the next page and will provide a baseline to monitor overall progress. This will be updated as the programme progress. This identifies at a high level the main activities by project, deliverables and milestones through to 2015. Individual Gantt charts will be developed for each project to show the detailed activities to deliver all the required outputs and key dependencies.

The main CSD technical and non-technical design and implementation work will be completed by a series of service 'waves' with a number of services per wave. Further details of the overall implementation approach and waves will be defined as part of the programme implementation strategy.



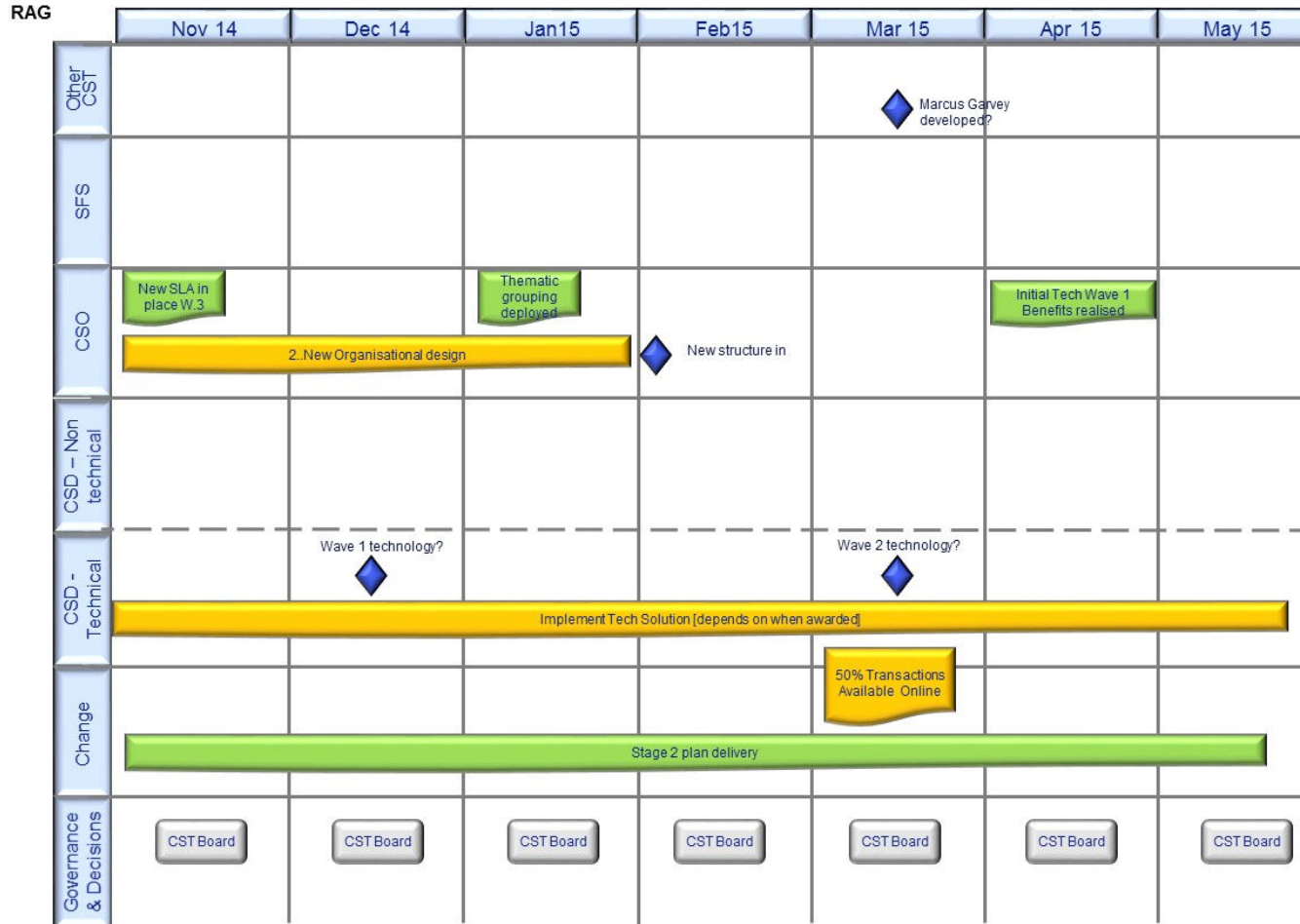
- Requires attention – Time/£/Objectives at risk
- Some concern but action underway Time/£/Objectives may be at risk
- No concern – on track

Stage 2 CSTP Timeline: Key milestones / deliverables **Revised – SEP 13**



- Requires attention – Time/E/Objectives at risk
- Some concern but action underway Time/E/Objectives may be at risk
- No concern – on track

Stage 2 CSTP Timeline: Key milestones / deliverables Revised – SEP 13



■ Requires attention – Time/£/Objectives at risk  
■ Some concern but action underway Time/£/Objectives may be at risk  
■ No concern – on track

Stage 2 CSTP Timeline: Key milestones / deliverables Revised – SEP 13

RAG	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15
Other CST							
SFS							
CSO		Initial Tech Wave 2 Benefits realised	Stage 2 Complete		Initial Tech Wave 3 Benefits realised		
CSD – Non technical			New Org Design				
CSD - Technical	Wave 3 technology? ◆		100% Transactions Available Online				
Change			Tech Implementation in full				
Governance & Decisions	CST Board	CST Board	CST Board	CST Board	CST Board	CST Board	CST Board



## APPENDIX 1 – BUSINESS CASE ASSUMPTIONS

Area of Business Case	Assumption
Service benefits	There are two main types of benefits 1) Contact handling and 2) channel shift and process automation. The have been derived from process reviews for Revenue, benefits, complaints and parking. Benefits for other service areas have been estimated based on experience elsewhere
Contact handling benefits	Delivered from economies of scale at the Corporate Contact Centre and Customer Services Centre (CSCs), multi skilling of agents, improved call handling
Channel shift and process automation	Reduction in volumes of face to face enquiries, telephone calls and emails as more transactions are completed online. A reduction in front and back office processing from reduced re-keying of data, removal of processes, on line validation of customer data, automated integration of transactions into Line of Business (LoB) systems, reduction in progress chasing contacts.
Channel Shift Benefits Calculation	Assumption is that from 2014, 61% of customers (correlates to on line UK banking rates) will use digitally enabled transactions instead of other channels.
Benefits Realisation	We have assumed the following profiles in modelling benefits across both contact handling and channel shift: - 15% of total benefits at the point of service consolidation - 50% of total benefits within 3-6 months of the delivery of self-service -100% of total benefits within 12-18 months of delivery of self-service
Benefits Realisation	We have assumed that for options 3a and 3b will deliver the same level of financial benefits, but option 3a will take 3-6 months longer to deliver. This is due to longer implementation timescales for CRM implementation.
IT Costs	For option 3b IT costs include hosting platform by Agilisys. Additional costs will need to be included if Haringey host
IT Costs	For option 2, we have assumed that IT costs to support consolidation will be business as usual. No additional costs have been included
IT Costs	For option 3a, a significant portion of these costs relate to Microsoft product licensing, which might be significantly reduced if the Council enters into an Enterprise Agreement or equivalent with Microsoft. The full costs have been assumed in the OBC
Recruitment costs	No staff recruitment costs are included in the business case
Contingency Costs	Contingency assumed as 5% of total cost.
Internal resources costs	Costs shown as best estimates at this point in time – they will be refined as the programme develops

## APPENDIX 2 - MAIN COSTS AND FINANCIAL BENEFITS FOR EACH OPTION

Option 2: Customer Service consolidation with stand-alone web based initiatives on a department by department basis							
Ongoing Benefits	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Council Tax	£0	£67,867	£123,394	£123,394	£123,394	£123,394	£561,442
Benefits	£0	£99,538	£180,978	£180,978	£180,978	£180,978	£823,448
Complaints / Members enquiries	£0	£7,734	£14,062	£14,062	£14,062	£14,062	£63,981
Traffic management	£0	£110,000	£136,000	£136,000	£136,000	£136,000	£654,000
Switchboard	£0	£76,778	£131,620	£131,620	£131,620	£131,620	£603,258
Adults Services	£0	£1,851	£3,428	£4,113	£4,113	£4,113	£17,618
Libraries	£0	£11,105	£20,566	£24,679	£24,679	£24,679	£105,707
Children's Social Care	£0	£1,851	£3,428	£4,113	£4,113	£4,113	£17,618
Planning / Building control	£0	£14,807	£27,421	£32,905	£32,905	£32,905	£140,943
Children's Education	£0	£2,879	£2,742	£4,113	£4,113	£4,113	£17,961
Single front line (streets, highways)	£0	£5,141	£10,968	£16,453	£16,453	£16,453	£65,467
Regulatory services (noise, pest control)	£0	£7,404	£13,710	£20,566	£20,566	£20,566	£82,811
Housing services	£0	£15,013	£32,905	£49,358	£49,358	£49,358	£195,990
FOI	£0	£2,879	£2,468	£2,468	£2,468	£2,468	£12,751
Non staff related savings (print and post)	£0	£0	£5,000	£5,000	£5,000	£5,000	£20,000
Management savings	£0	£0	£50,000	£50,000	£50,000	£50,000	£200,000
<b>Total</b>	<b>£0</b>	<b>£424,847</b>	<b>£758,688</b>	<b>£799,820</b>	<b>£799,820</b>	<b>£799,820</b>	<b>£3,582,995</b>
Costs	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Investment cost to deliver							
External Resources (Programme and Project)	£413,135	£398,710	£0	£0	£0	£0	£811,845
Internal Resources (Programme and Project)	£116,933	£136,422	£0	£0	£0	£0	£253,356
IT Hardware / Software / Telephony	£0	£173,500	£60,000	£60,000	£0	£0	£293,500
Accommodation / Infrastructure	£0	£96,360	£0	£0	£0	£0	£96,360
Training	£0	£30,000	£0	£0	£0	£0	£30,000
Comms / marketing / change materials	£20,000	£40,000	£0	£0	£0	£0	£60,000
System Transition Costs	£0	£0	£0	£0	£0	£0	£0
New ongoing costs as a result of delivery	£11,250	£45,000	£78,150	£78,150	£78,150	£78,150	£368,850
Contingency	£28,066	£46,000	£6,908	£6,908	£3,908	£3,908	£95,696
<b>Total</b>	<b>£589,384</b>	<b>£965,992</b>	<b>£145,058</b>	<b>£145,058</b>	<b>£82,058</b>	<b>£82,058</b>	<b>£2,009,606</b>
<b>Net Cost/Benefit</b>	<b>£-589,384</b>	<b>£-541,145</b>	<b>£613,631</b>	<b>£654,762</b>	<b>£717,762</b>	<b>£717,762</b>	<b>£1,573,388</b>
<b>Cumulative Net Cost/Benefit</b>	<b>£-589,384</b>	<b>£-1,130,529</b>	<b>£-516,898</b>	<b>£137,864</b>	<b>£855,626</b>	<b>£1,573,388</b>	
<b>Payback</b>	3 years and 1 month						
<b>Benefits to Cost Ratio</b>	1.78						

## Option 3A: Transformation of Customer Services via corporate wide process and technology change – CRM led solution

Ongoing Benefits	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Council Tax	£0	£67,867	£203,600	£431,878	£493,575	£493,575	£1,690,494
Benefits	£0	£99,538	£298,613	£633,421	£723,910	£723,910	£2,479,392
Complaints / Members enquiries	£0	£7,734	£23,202	£49,216	£56,247	£56,247	£192,646
Traffic management	£0	£110,000	£162,000	£236,000	£256,000	£256,000	£1,020,000
Switchboard	£0	£76,778	£131,620	£131,620	£131,620	£131,620	£603,258
Adults Services	£0	£1,851	£4,867	£11,654	£16,453	£16,453	£51,277
Libraries	£0	£11,105	£29,203	£69,923	£98,715	£98,715	£307,662
Children's Social Care	£0	£1,851	£4,867	£11,654	£16,453	£16,453	£51,277
Planning / Building control	£0	£14,807	£38,938	£93,231	£131,620	£131,620	£410,216
Children's Education	£0	£2,879	£2,468	£3,633	£16,453	£16,453	£41,885
Single front line (streets, highways)	£0	£5,141	£9,872	£14,533	£65,810	£65,810	£161,166
Regulatory services (noise, pest control)	£0	£7,404	£12,339	£18,166	£82,263	£82,263	£202,434
Housing services	£0	£15,013	£29,615	£43,599	£197,430	£197,430	£483,087
FOI	£0	£2,879	£2,468	£2,948	£8,226	£8,226	£24,747
Non staff related savings (print and post)	£0	£0	£20,000	£30,000	£30,000	£30,000	£110,000
Management savings	£0	£0	£0	£200,000	£200,000	£200,000	£600,000
<b>Total</b>	<b>£0</b>	<b>£424,847</b>	<b>£973,671</b>	<b>£1,981,477</b>	<b>£2,524,773</b>	<b>£2,524,773</b>	<b>£8,429,541</b>

Costs	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
<b>Investment cost to deliver</b>							
External Resources (Programme and Project)	£413,135	£635,500	£303,750	£0	£0	£0	£1,352,385
Internal Resources (Programme and Project)	£133,600	£438,867	£340,400	£0	£0	£0	£912,867
IT Hardware / Software / Telephony	£0	£1,909,500	£0	£0	£0	£0	£1,909,500
Accommodation / Infrastructure	£0	£96,360	£0	£0	£0	£0	£96,360
Training	£11,250	£75,000	£0	£0	£0	£0	£86,250
Communications / marketing / change materials	£25,000	£75,000	£0	£0	£0	£0	£100,000
System Transition Costs	£0	£0	£0	£0	£0	£0	£0
New ongoing costs as a result of delivery	£0	£0	£403,150	£403,150	£403,150	£403,150	£1,612,600
Contingency	£29,149	£161,511	£52,365	£20,158	£20,158	£20,158	£303,498
<b>Total</b>	<b>£612,134</b>	<b>£3,391,738</b>	<b>£1,099,665</b>	<b>£423,308</b>	<b>£423,308</b>	<b>£423,308</b>	<b>£6,373,460</b>

<b>Net Cost/Benefit</b>	<b>-£612,134</b>	<b>-£2,966,891</b>	<b>-£125,994</b>	<b>£1,558,169</b>	<b>£2,101,466</b>	<b>£2,101,466</b>	<b>£2,056,081</b>
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<b>Cumulative Net Cost/Benefit</b>	<b>-£612,134</b>	<b>-£3,579,025</b>	<b>-£3,705,020</b>	<b>-£2,146,850</b>	<b>-£45,385</b>	<b>£2,056,081</b>	
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<b>Payback</b>	4 years and 3 months
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<b>Benefits to Cost Ratio</b>	1.32
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## Option 3B: Transformation of Customer Services via corporate wide process and technology change – Digital Platform led solution

Ongoing Benefits	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Council Tax	£0	£67,867	£246,788	£493,575	£493,575	£493,575	£1,795,379
Benefits	£0	£99,538	£361,955	£723,910	£723,910	£723,910	£2,633,223
Complaints / Members enquiries	£0	£7,734	£28,124	£56,247	£56,247	£56,247	£204,598
Traffic management	£0	£110,000	£176,000	£256,000	£256,000	£256,000	£1,054,000
Switchboard	£0	£76,778	£131,620	£131,620	£131,620	£131,620	£603,258
Adults Services	£0	£1,851	£6,787	£14,396	£16,453	£16,453	£55,939
Libraries	£0	£11,105	£40,720	£86,376	£98,715	£98,715	£335,631
Children's Social Care	£0	£1,851	£6,787	£14,396	£16,453	£16,453	£55,939
Planning / Building control	£0	£14,807	£54,293	£115,168	£131,620	£131,620	£447,508
Children's Education	£0	£1,440	£5,347	£12,339	£16,453	£16,453	£52,031
Single front line (streets, highways)	£0	£5,141	£21,388	£49,358	£65,810	£65,810	£207,507
Regulatory services (noise, pest control)	£0	£7,404	£26,735	£61,697	£82,263	£82,263	£260,361
Housing services	£0	£15,013	£64,165	£148,073	£197,430	£197,430	£622,110
FOI	£0	£2,879	£6,033	£10,283	£8,226	£8,226	£35,647
Non staff related savings (print and post)	£0	£0	£20,000	£30,000	£30,000	£30,000	£110,000
Management savings	£0	£0	£100,000	£200,000	£200,000	£200,000	£700,000
<b>Total</b>	<b>£0</b>	<b>£423,408</b>	<b>£1,296,740</b>	<b>£2,403,436</b>	<b>£2,524,773</b>	<b>£2,524,773</b>	<b>£9,173,131</b>

Costs	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Investment cost to deliver							
External Resources (Programme and Project)	£413,135	£635,500	£135,000	£0	£0	£0	£1,183,635
Internal Resources (Programme and Project)	£133,600	£328,867	£111,289	£0	£0	£0	£573,756
IT Hardware / Software / Telephony	£0	£713,500	£0	£0	£0	£0	£713,500
Accommodation / Infrastructure	£0	£96,360	£0	£0	£0	£0	£96,360
Training	£11,250	£75,000	£0	£0	£0	£0	£86,250
Communications / marketing / change materials	£25,000	£75,000	£0	£0	£0	£0	£100,000
System Transition Costs	£0	£0	£0	£0	£0	£0	£0
New ongoing costs as a result of delivery	£0	£0	£329,190	£379,190	£379,190	£379,190	£1,466,760
Contingency	£29,149	£96,211	£28,774	£18,960	£18,960	£18,960	£211,013
<b>Total</b>	<b>£612,134</b>	<b>£2,020,438</b>	<b>£604,253</b>	<b>£398,150</b>	<b>£398,150</b>	<b>£398,150</b>	<b>£4,431,274</b>

<b>Net Cost/Benefit</b>	<b>-£612,134</b>	<b>-£1,597,030</b>	<b>£692,488</b>	<b>£2,005,287</b>	<b>£2,126,624</b>	<b>£2,126,624</b>	<b>£4,741,857</b>
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<b>Cumulative Net Cost/Benefit</b>	<b>-£612,134</b>	<b>-£2,209,165</b>	<b>-£1,516,677</b>	<b>£488,609</b>	<b>£2,615,233</b>	<b>£4,741,857</b>
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**Payback** 3 years and 1 month

**Benefits to Cost Ratio** 2.07

