

BABERGH DISTRICT COUNCIL

FROM: CAST Programme Board

REPORT NUMBER

G208

TO: Strategy Committee

DATE OF MEETING: 6 March 2008

CAST PROGRAMME – PROGRESS AND OUTCOMES

1. PURPOSE OF REPORT

1.1 The CAST Programme is scheduled to run over a 3 year period, and is now reaching the end of the second year. Progress has been monitored and regular detailed reports on performance and operational changes have been considered and scrutinised by the Board.

1.2 The Board feels that it is now appropriate point to review:

- What has been achieved so far?
- What are the current issues?
- What work needs to be completed over the next year to complete the programme?

The report gives high level view of those issues in the key areas of budget expenditure, customer access, service transformation & improvement, and staffing.

2. RECOMMENDATIONS

2.1 That Strategy Committee note the progress made on the CAST Programme.

2.2 That unspent capital budget of £35,300 is carried forward to 2008/09.

The Committee is able to resolve this matter.

3. FINANCIAL IMPLICATIONS

3.1 The development of a front/back office interface is the only significant item of capital expenditure remaining in the CAST Programme. More work is however required on evaluating the best business solution in the light of emerging software options, potential shared services, partnership opportunities and the Suffolk Local Government Review. It is therefore considered prudent to carry forward the unspent capital budget into the final year of the programme and the Board recommend that approach to the Committee.

3.2 Revenue budget costs have been reduced this year by revising the composition of the project team and reduced use of consultancy. There were also savings compared to budget in 2006/07. So, although it has been necessary to draw on the cost of change contingency funding to sustain progress on the consolidation of the Customer Service Teams, overall costs for the first 2 years of the project are running at a lower level than allowed for in the original business case and budgets.

3.3 This will be reviewed further at the end of the current financial year, but it is currently estimated that savings compared to budget of up to £50,000 may arise by the end of 2007/08.

- 3.4 The cashable savings target of £38,000 for 2007/08 has been fully achieved. Staffing levels have been reduced by 2.7 FTE's.
- 3.5 The cashable savings target for 2008/09 is £88,000. £51,000 has already been achieved as the result of the 2007/08 changes rolling forward into 2008/09. The challenge now is to generate a further £37,000 in cashable savings to achieve the 2008/09 target. It is anticipated that those savings will be delivered by the Business Process Re-engineering projects currently underway.
- 3.6 The current position of the CAST programme budget is summarised in the following table:

Budget position as at 31/12/2008	£ 2007/08	£ 2008/09
<u>Capital</u>		
Approved budget	194,000	162,000
Carry forwards	23,800	
Committed expenditure*	-168,000	
Expected expenditure*	-14,500	
Remaining	35,300	162,000
<u>Revenue</u>		
Approved Budget (Net of BPR/DIP Savings)	210,000	200,000
Carry forwards	54,200	
Committed expenditure*	-127,000	
Expected expenditure*	-8,000	
Remaining	129,200	200,000
<u>Cashable savings</u>		
Target	38,000	88,000
Achieved	-38,000	-51,000
Balance remaining against target	0	37,000

[* "Committed expenditure" relates to budget, which the Chief Executive has approved under delegated authority in consultation with the Board. "Expected expenditure" relates to budget, which has been identified for a specific purpose but has not as yet been formally approved for that purpose.]

4. **RISK MANAGEMENT**

- 4.1 This report should be considered in the context of the "management of major programmes and projects" (Risk 9 – Significant Risk Register).
- 4.2 The Board has no concerns to bring to the attention of the Committee at this time. All risks relevant to the CAST programme have been reviewed and mitigation is in place. A copy of the CAST Risk Register is attached as Appendix A.

4.3 The Board feels that their role should continue in 2008/09 and will be making that recommendation in their annual report to Council on 15th April.

5. **KEY INFORMATION**

Customer Access

- 5.1 Four Customer Service Teams have been established and are fully operational. On average 80% resolution of incoming calls at the point of contact is being achieved, exceeding the initial target of 60%, and with very good levels of customer satisfaction. Feedback however also indicates that on occasions callers have experienced difficulty in getting through to the Customer Service Teams and that there is an amount of unmet demand. Consequently overall call handling capacity and call flow need to be increased and matched to the profile of incoming call traffic.
- 5.2 “Skills based routing”, a feature of the Council’s telephony software is being deployed as the first step to increase capacity. Callers will automatically be requested to indicate the nature of their call via the handset from a high level menu of 2 or 3 options (E.g. press 1 for Council Tax, 2 for Benefits etc.) Once that choice has been made calls can then be directed to the Customer Service Officer who is best able to answer that enquiry. This enables background officers with specific skills to be brought forward during peak periods or for new members of staff, to begin handling calls much earlier in their training programme. Overall capacity to handle calls is increased as a result.
- 5.3 Planning information is available on line and accessible from any location with an Internet connection. Communication between the Council and Parish Councils on planning matters will be more effective as a result. The planning process will be more transparent and accessible for all parties with an interest in planning applications.
- 5.4 Online access to personal account information for Council Tax, Benefits, Housing and Business Rates will be available to account holders from April 2008. Access is controlled by an authentication and password protocol. Promotional material will be included with all billing and benefit communications issued in March.
- 5.5 During 2008/09 work will focus on the following areas:
- Implementing a front/back office interface.
 - Promoting use of the web and other opportunities for e-service.
 - Increasing call handling capacity and improving the flow of calls.
 - Eliminating customer interactions which are unnecessary or add no value to the delivery of services.
 - Completion of the migration of services into the front office environment

Service Transformation and Improvement

- 5.6 **Benefits:** The Benefits service has undergone a significant and sustained service transformation following the Business Process Re-engineering (BPR) work undertaken in 2006.. Customers are assisted through the claims process. The time taken, on average, to process new claims has been reduced from 27 to 16 days, changes in circumstances from 10 to 6 days, 70% of claims received are ready to process on receipt.

- 5.7 **Planning:** A revised process for handling planning applications has been implemented. Access arrangements have been structured, incoming calls for professional planning staff are routed to a person not voicemail and a greater proportion of advice is provided at the time and point of contact. Access to planning information and planning applications is now available on the Council's website. A major improvement for all stakeholders in accessing the Planning service. Information is available via any internet connection. Document Imaging software is in place to support the change.
- 5.8 As a result the need to visit Hadleigh has been reduced to those issues where face to face in the only, or most effective, way to complete an interaction. Visitor traffic will reduce although more promotional activity is required to achieve that outcome.
- 5.9 Performance in Planning is mixed; the processing of major applications at 71% has improved, (previously 62%), minor applications at 60% (previously 66%) and other applications at 74%, (85%) have fallen away.
- 5.10 Staff recruitment and retention has created an unforeseen pressure and distorted the overall picture in the short term. That issue has been addressed. Short term temporary resources are in place and a refresh of the 2006 BPR outcomes is underway. The clear aim in 2008/09 will be to improve Planning performance and the CAST officer team will assist in that work.

Business Process Re-engineering (BPR)

- 5.11 The cashable savings target of £38,000 for 2007/08 has been fully achieved. Staffing levels have been reduced by 2.7 FTE's.
- 5.12 The cashable savings target for 2008/09 is £88,000. £51,000 has already been achieved as the result of the 2007/08 changes rolling forward into 2008/09. Consequently, only a further £37,000 now needs to be generated to achieve the target.
- 5.13 As part of the migration of services to the front office, processes and procedures are reviewed, being redesigned as necessary, and this is being followed up with an in depth review covering the further efficiencies that can be achieved from the revised situation. That work will drive out the remaining efficiency savings required to meet the 2008/09 cashable savings target for the CAST Programme.
- 5.14 The Service Improvement and Efficiency Officer funded from the CAST Programme is also facilitating a review of the process for re-letting Council housing ("voids") and the process based elements of an enforcement review, currently at the scoping stage. The "voids" review is now sufficiently advanced to allow some capacity to be redirected towards improving performance of the Planning service from March onwards.

Staffing

- 5.15 Staff, generally, have coped well with the changes and this is borne out by the levels of performance being achieved, although at the time of writing, UNISON has formally raised concerns that the continuing incidence of change, workloads and staff turnover is creating ongoing pressure for staff and lowering morale. The HR Panel will be considering those issues and responding formally at the earliest opportunity.

5.16 Staff savings of 2.7 FTEs have been achieved during 2007/08 by reviewing and re-designing organisational structures and any associated processes, taking advantage of any natural opportunities arising through staff turnover.

Conclusion

5.17 The CAST programme is being delivered within budget, to timescale and is on track to achieve the anticipated savings. Challenges remain in terms of eliminating teething troubles that inevitably go hand in hand with change, and further refinements will be required in the light of experience gained but most importantly it is transforming service and access, achieving high resolution of enquiries at the point of contact and significantly reducing the use of voicemail in key services. The Benefits service has been transformed. The Planning service is more accessible and the focus is now to build on that foundation by improving performance.

5.18 Relevant Papers to Committee in the past are as follows:

•	D212	Customer Access & Service Transformation	12/01/05
•	E137	Customer Access & Service Transformation	13/09/05
•	F286	Strategy Committee - Customer Access & Service Transformation	09/03/06
•	F85	Council – Customer Access & Service Transformation	28/09/06
•	F198	Strategy Committee CAST Programme –Progress update	08/03/07
•	G100	Strategy Committee CAST Programme –Progress update	28/09/07

6. **APPENDICES**

(a) Risk Register.

7. **BACKGROUND PAPERS REFERRED TO:**

None.

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Programme Management Risk Report

Customer Access and Services Transformation

Risks Log

For risk >= 10

<i>Risk details</i>	<i>Review Date</i>	<i>Evaluation</i>
Engagement and support for the Change Programme	31-Mar-08	18
[Previously "Resistance to Change Programme"] Proposed changes are resisted by departmental management, staff or Unison, potentially obstructing development or otherwise hampering the programme.		Impact: 3 Probability: 6

<i>Solution</i>	<i>Mitigation Actions</i>	<i>Owner</i>	<i>Target Date</i>
Treat	Follow programme of consultation, communication and involvement at all levels, including a feedback mechanism (including HoS meetings)	Bob Southgate	31-Mar-08
Treat	Programme office to monitor progress on BPR projects and raise issues as appropriate	Glen Thimblethorp	31-Mar-08
Terminate	Continue to engage and involve Heads of Service in Change Programme	Bob Southgate	Completed
Treat	Conduct staff survey to measure engagement with Change Programme	Bob Southgate	31-Mar-08
Treat	Engage with Heads of Service, managers and staff across the organisation to make them aware of plans and developments, seeking their commitment and involvement in the wider programme.	Bob Southgate	31-Mar-08

<i>Risk details</i>	<i>Review Date</i>	<i>Evaluation</i>
Project Resourcing and Resource availability	31-Mar-08	18
Required resources are not available at critical times in the implementation programme. 4 July 2007: Combined with "Project Resourcing Issues ", which noted the danger of the programme failing to deliver due to a lack of focus and direction on project resourcing issues.		Impact: 3 Probability: 6

<i>Solution</i>	<i>Mitigation Actions</i>	<i>Owner</i>	<i>Target Date</i>
Treat	Ensure implementation plans avoid peak/critical times of activity	Bob Southgate	Completed
Treat	Engage with HoS and line managers to make them aware of plans well in advance	Bob Southgate	31-Mar-08
Treat	Ensure external resources are delivered as and when required	Bob Southgate	31-Mar-08
Treat	Clear planning and resourcing measures are put in place	Bob Southgate	Completed
Treat	Clear project communication processes are put in place and maintained	Bob Southgate	31-Mar-08

<i>Risk details</i>	<i>Review Date</i>	<i>Evaluation</i>
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<i>Risk details</i>	<i>Review Date</i>	<i>Evaluation</i>
Planning projects do not have sufficient resources	31-Mar-08	15
There are a number of projects to be carried out in Planning - CAST, BPR, DIP and PAI, which will require resource planning and management.		Impact: 3 Probability: 5

<i>Solution</i>	<i>Mitigation Actions</i>	<i>Owner</i>	<i>Target Date</i>
Treat	CAST team to work closely with Planning team	Glen Thimblethorp	31-Mar-08
Treat	Review of all planned projects is carried out in context of overall programme	Bob Southgate	31-Mar-08
Treat	Corporate Director maintains close contact with projects	Mike Hammond	31-Mar-08
Terminate	Additional funds provided from the CAST budget for backfill	Bob Southgate	Completed
Treat	Support and assistance of Project Office as and when required	Glen Thimblethorp	31-Mar-08

<i>Risk details</i>	<i>Review Date</i>	<i>Evaluation</i>
Using existing staff to fulfill new roles	31-Mar-08	15
Implementation was based on using those individuals in the teams who have regular contact with customers (in specific areas of their expertise) fulfilling roles within the Front Office. Most are well suited to the customer facing/service role but a small handful are not entirely comfortable in the new environment. This puts significant pressure on the whole team.		Impact: 3 Probability: 5

<i>Solution</i>	<i>Mitigation Actions</i>	<i>Owner</i>	<i>Target Date</i>
Terminate	External trainers in "customer care" identified and training programme set-up in "Proactive Customer Services incorporating change management"	Dawn Williams	Completed
Treat	Staff rotation providing a variety of roles and skills	Bob Southgate	31-Mar-08
Treat	HR support, mentoring and advice	Dawn Williams	31-Mar-08

<i>Risk details</i>	<i>Review Date</i>	<i>Evaluation</i>
Anticipated BPR savings not delivered	31-Mar-08	12
BPR programme fails to deliver anticipated benefits and savings		Impact: 3 Probability: 4

<i>Solution</i>	<i>Mitigation Actions</i>	<i>Owner</i>	<i>Target Date</i>
Treat	Full BPR programme (as originally envisaged) has been reduced to incorporate only those areas where significant savings or benefits are anticipated.	Bob Southgate	31-Mar-08
Treat	Measure savings/benefits from pilot implementations	Bob Southgate	31-Mar-08
Terminate	Keep a clear record of costs (including resource backfill) in ES BPR review	Bob Southgate	Completed

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<i>Risk details</i>	<i>Review Date</i>	<i>Evaluation</i>
Cashable savings realisation	31-Mar-08	12

There is a risk that the projected level of cashable savings are not realised.

Impact: 3
Probability: 4

<i>Solution</i>	<i>Mitigation Actions</i>	<i>Owner</i>	<i>Target Date</i>
Treat	Ensure strong MT and Heads of Service involvement in and awareness of activities	Bob Southgate	31-Mar-08
Treat	Conduct regular reviews of savings realisation	Bob Southgate	31-Mar-08

<i>Risk details</i>	<i>Review Date</i>	<i>Evaluation</i>
Higher than normal levels of sickness absence	31-Mar-08	12

High levels of sickness absence in the team put significant pressure on the whole team.

Impact: 3
Probability: 4

<i>Solution</i>	<i>Mitigation Actions</i>	<i>Owner</i>	<i>Target Date</i>
Treat	Officer discretion to engage temporary staff to cover long-term sickness absence	Bob Southgate	31-Mar-08
Treat	Distribution of work on a knowledge basis to help cover for absences	Bob Southgate	31-Mar-08

No of Risks >= 10: 7

<i>Risk Key</i>	<i>Impact</i>	<i>Probability</i>
	1 Negligible	1 Almost Impossible
	2 Marginal	2 Very Low
	3 Critical	3 Low
	4 Catastrophic	4 Significant
		5 High
		6 Very High
		7 Has Happened