

JOINT COMMITTEE

21st November 2013

Future of first contact arrangements for Worcestershire Regulatory Services

Recommendation	That members note the report
Contribution to Priorities	NA
Introduction	<p>This report should help members to understand some of the background to the letter received by the Chair of this Committee from the Chair of the Worcestershire Hub Shared Services Committee ahead of the September meeting. Since its inception WRS has used the Worcestershire Hub Shared Service (WHSS) as its first contact point for client contacts. In recent times, it appears that WRS contacts into WHSS have increased dramatically, necessitating a review of the amount WRS contributes to support first contacts. This has led to giving consideration to alternatives to using the WHSS, including bringing the first contact work within WRS itself. At Management Board on 30th October, a number of options were discussed and WRS Management Team was asked to work with the Hub to cost up options for taking the service in-house, to compare with the figures provided by the Hub. A further report will be submitted to December's Management Board. The Joint Committee will be updated on the outcome of this at their next meeting. In the interim, WRS, in consultation with the Management Board, has agreed to fund an additional two FTE posts at the Hub to deal with existing demand until March 2014. The cost of this is approximately £26000.</p>
Report	<p>On the 17th July 2013, a report was submitted to the WRS Management Board (WRSMB) regarding the customer demand received by the Worcestershire Hub Shared Service (WHSS) when administering enquiries on WRS's behalf. This report was instigated for two reasons:</p> <ul style="list-style-type: none">• The immediate budget pressure that the WHSS had in meeting a £50k funding gap which occurred from the initial agreement to recruit 4 FTE for the service, whilst only 2 FTE had been earmarked

for funding via the original Business Case agreed by partners;

- Customer demand for a range of WRS related enquiries had apparently increased significantly since the service was initially migrated which appeared to be having a direct impact on the overall performance of the WHSS's Customer Contact Centre. The demand levels appeared to be regularly exceeding the need for 4 FTE at any one time.

A number of options were then presented to Management Board in order to respond to the immediate issues. These were:

- That WRS fund the number of FTE in accordance to a performance level that is appropriate to the service;
- That WRS fund the number of FTE in accordance to a performance level that is appropriate to the service and that this level of FTE is reviewed in line with a development programme to increase self service contacts;
- That WRS incorporate the call handling model into their service.

Before a decision around options was made, the WRSMB asked for some further clarification around the data presented to ensure that it was an accurate reflection of total and genuine demand for the service. Work was undertaken so that a point was reached whereby both parties agreed to the data. This was presented at the WRSMB meeting on 30th October. The data is outlined in the following section.

During August and September 2013, WHSS staff taking WRS calls were asked to record them following a specified protocol. The table below outlines call attempts made during this two-month period;

	Total number of calls offered to 01905 822799	Total number of offered calls that were answered	Average call handle time
Aug-13	4681	3129	00:06:03
Sep-13	4445	2782	00:05:37

Hub staff had been asked to divide their call up into particular types for recording purposes, as outlined in the table below:

	WRS Duty Officer - Advice	WRS - Licensing	WRS - logged on Uniform	Non WRS	WRS - CACS referral	Total enquires
Aug-13	1063	591	784	345	140	2923
Sep-13	922	656	741	306	142	2767

Please note: There is a slight discrepancy between the calls answered (in comparison the table on figure 1) and the number of enquires recorded. This is due to the implementation of this exercise and Duty Officers becoming familiar with the new requirements. 206 enquires were not logged in August



and only 15 not being logged in September.

Based on normal call centre working practice formulas, the level of demand identified requires between 5 and 7 operatives to deliver a reasonable level of service. The following table outlines the service standards likely to be achievable:

No of agents	Service level that would be met
7	75-80%
6	40-60%
5	30%
< 5	0-15%

This is based on a service being offered Monday to Friday between 9am and 5pm.

Three options were outlined to WRSMB, the detail of which is included as Appendix 1 to this report. These matched the earlier proposals by the WHSS for WRS to either:

- Fully fund the required number of FTE staff within WHSS, to match existing service standards,
- Agree to fund a lesser number of staff and agree a lower service standard with WHSS for delivery
- Consider taking the service in-house.

Details of some of the impacts of these proposals are included in the tables in Appendix 1, along with a brief mention of potential risk. Partners would need to provide an additional £63-108000 funding to allow for the continued support of 5-7 FTE from the WHSS.

After some discussion at WRSMB, it was agreed that Option 3, to take the service in-house, was a realistic option that could be considered, although the risks would be placed on WRS to ensure the service is delivered to an acceptable standard. There were a number of aspects, including the telephony infrastructure that needed further consideration. The Host authority had given assurances that their Shore-tel system was robust enough to cope with the increasing volume. However, there was a question over the portability of the 01905 number that has been broadcast for three years onto a Bromsgrove / Redditch (01527,) exchange based system.

Also, significant implications in relation to TUPE transfer were highlighted as part of such a move. These needed to be explored more by the Host HR team and the WHSS management team as to eligibility criteria for staff. This would delay the implementation until the post Christmas period, possibly the beginning of February, and possibly until the 1st April 2014, to allow for relevant consultation periods.

WRS Managers consider that option 3 would meet their strategic direction of travel but, they would have to seek funding support from partners to make this happen. It would also need to happen in

parallel with the channel shift program so that, over time, the telephony commitment could be reduced, allowing partner contributions to first contact costs to be cut. WRS Managers also took the view that the in-house service would probably be staffed at the lower suggested level on the basis that direct support could be provided via professional staff from within WRS operating on a rota basis to directly support the first contact call handlers. This would also, over time, increase the proportion of call that could be dealt with at first point of contact, improving the customer experience and overall satisfaction.

The outcome at WRSMB was that WRS Managers were tasked to work with the Host's HR team to explore the option of in-house delivery and to report back to WRSMB on 11th December on a preferred way forward, including costs and risk. The Management Board representative from Wychavon offered a benchmark figure of £125000 per annum, which the Orchard Partnership call centre, currently delivering on behalf of the South Worcestershire districts for Revenues and Benefits had suggested as reasonable.

Financial Implications

The original WRS Business case only included £50,000 per annum for the support of the service from WHSS. This now appears to be untenable. There is likely to be a requirement for further funding to support first contact for the service. These costs vary from an additional £63000 to £108000 for staying with WHSS. The cost of bringing the service in-house is yet to be estimated. A total cost figure of £125000 per annum was offered by the Management Board representative from Wychavon as a benchmark on which to judge the cost of in-house provision.

Sustainability

Many services are considering "digital first" as their direction of travel, with end to end self service as the aim for service delivery. Whilst there are some aspects of WRS work, for example some licensing activity, which are wholly transactional, the majority of WRS activity will need some form of intervention by officers. WRS is commissioning a piece of work on channel shift to look at how far it may be possible to drive customers into more cost effective channels of operation. This may allow us to introduce broad forms of self help, but it is difficult to see how much of the work could be done without contact with and intervention from professional officers.

Contact Points

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Background Papers

Appendix 1: Tables from WHSS Management Board Report



Appendix 1: Full details of options proposed to WRS Management Board for consideration

Option 1 was for WRS to fund 7 FTE to take calls at the WHSS.

<p>Option 1 – Retain the current delivery model through the WHSS and fund 7 FTE. This will attain a service level in line with other services provided for by the WHSS. Costs associated with providing a Team Leader to oversee call facilitation on behalf of WRS services has not been factored into this figure. However, it is acknowledged that in accordance with seasonal peaks and troughs 7 FTE are not required all of the time. Therefore, the cost of providing this level of resource would also contribute to the Team Leader post.</p>	
<p>Cost: £158,200 Based on current year cost of a Customer Service Advisor with on costs (£22,600)</p>	
<p>Advantages:</p> <ul style="list-style-type: none"> • Ability to draw on the scale of the Contact Centre operation where customer contacts can be spread against a number of full time equivalents; • WHSS call manager technology enables adjustments to staffing in real time. Also provides adequate information to support resource planning; • Accessibility to a Central Team containing Business Analyst, Relationship Manager who assess all aspects of the WRS delivery model and provide visibility to WRS Management Team; • Staff have other service knowledge that may be beneficial for the customer if the need is established. 	<p>Risks:</p> <ul style="list-style-type: none"> • WRS calls are answered by generic staff who have other calls blended into their skill set which could impact on performance during peak times; • Resolution at first point of contact could be higher if call handling was administered by specialist staff (however, call handling time could be longer and may require additional resource); • Due to the diversity of the Contact Centre operation, productivity levels have to be factored in when calculating FTE against demand which also impacts on the cost to deliver the service. • WRS Partners would have to provide significant additional funding to the Hub Shared Service at a time of severe budgetary pressures.

Option 2 (below,) was to retain use of the WHSS but at a lower service standard and employing fewer call takers. Costs are included in the relevant table. Option 3 (also below,) offered the option of taking the service in-house.

Option 2 – Retain the current delivery model through the WHSS and fund the number the FTE in accordance with the service level required for WRS.	
Reference should be made to figure 4 considering the appropriate service level for WRS enquiries.	
Cost: It is acknowledged by WRS that demand requires at least 5 FTE so costs are given against the service level that anything less than 7 FTE would cost: <ul style="list-style-type: none"> • 6 FTE providing a service level between 40-60% - £135,600; • 5 FTE providing a service level between 30-40% - £113,000. 	
Advantages <ul style="list-style-type: none"> • The additional cost to WRS Partners is reduced 	Risks <ul style="list-style-type: none"> • The service level for all other WHSS facilitated services is 75% so this option would continue to impact on the overall performance of the Contact Centre; • Customer Satisfaction is effected due to the length of time needed to answer calls; • Impact on public perception of the WRS and WHSS services; • Anything less than 7 FTE does not build any resilience into the WRS service during peak times or during unplanned events.

Option 3 – Transfer the call handling model back into the service.	
This would require a full consultation exercise and the TUPE transfer of staff who currently provide this service on behalf of WRS.	
Cost: Dependant on the number of FTE subject to TUPE transfer as well as the cost to implement the technical requirements and any further staffing required.	
Advantages <ul style="list-style-type: none"> • Potentially greater resolution at first point of contact as agents become more specialist; • Greater visibility and understanding of nature of calls by WRS to aid future development to services. 	Risks <ul style="list-style-type: none"> • The volumes associated with WRS calls require a managed call handling system so consideration needs to be given to this as well as the cost to implement; • Costs to provide the service in house are potentially the same as the current arrangement if it is acknowledged that the standard of service requires the right level of FTE; • TUPE transfer may determine that more staff than the allocated FTE move to WRS if they spend greater proportions of their time on WRS calls.