Outline Business Case

Programme Name:	Customer and Service Transformation		
Date:	28/01/14	**Version:**	2.0
Programme Projects:	Service Reviews Customer Standards Customer Operating Model		
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1. Executive Summary

This programme will:

- Define and implement consistent service standards for customer interactions supported by the Council's in house service and for those services delivered for the Council by other parties
- Implement the Customer and Channel elements of the blueprint through a process of service reviews with the result that the cost of managing customer contacts will be reduced and service levels delivered to customers are actively managed.

The changes to be delivered can be viewed from a number of perspectives. From a customer perspective the changes are as follows:
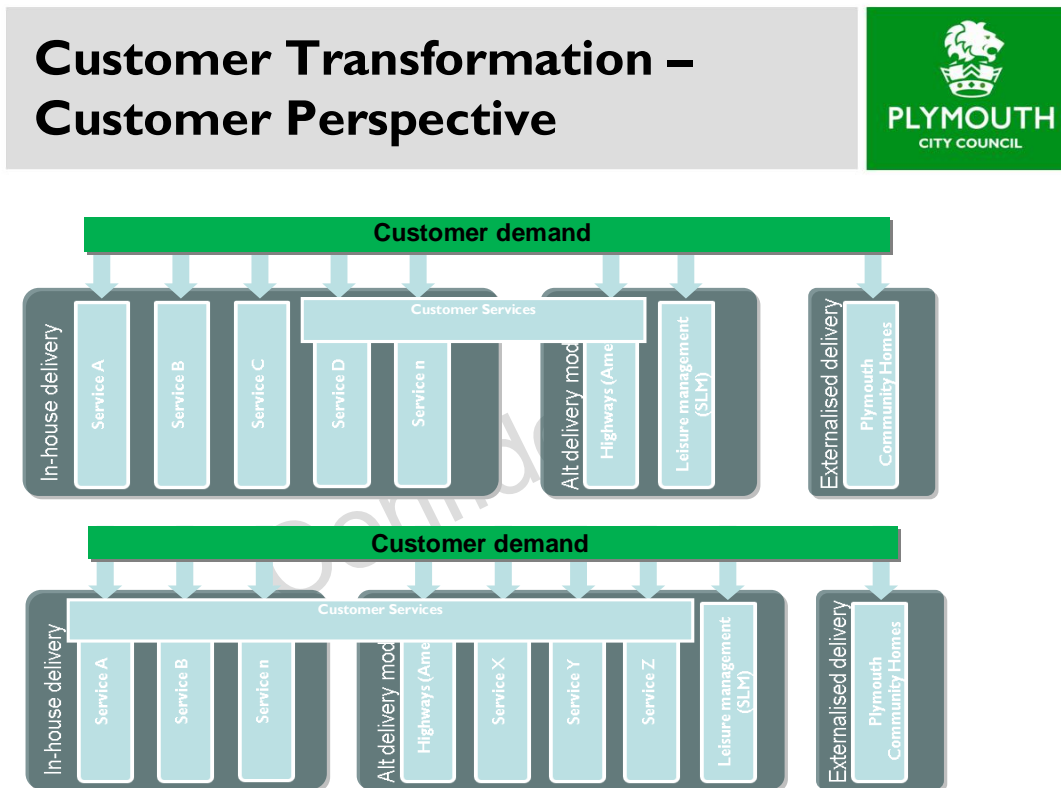

Figure 1 – Transformation - Customer perspective

Figure 1 highlights the shift from a position today where customers (in the main) interact with the services that fulfil the demand. So, if a customer requires help with a claim for Housing Benefit they would meet with a member of staff from the Benefits team and if they needed advice about children's social care they would call staff in that service. This results in a situation where the Council cannot respond fully to a change in a customers circumstance. For example in the Civic Centre if a customer notifies staff today that they have moved, the Council tax systems will be updated but this will not update parking permit data or other systems dependent upon knowing the address of a customer. Updates to parking permits frequently only occur when the customer visits the Civic again to apply for the permit at their new address.

In the future a single organisation (called Customer Services in Figure 1) will provide the initial handling of customer contact for services provided by the Council and for services provided by a third party on behalf of the Council. The reason this will be handled by a single organisation is to achieve consistent

standards and economies of scale. The new Customer Services organisation will require an integration across systems to allow data (where legal) to be shared so that a change in customers circumstances can trigger updates across all impacted services.

From a channel perspective the changes are as follows:

Contact mix across channels 2013-14

Contact mix across channels To be
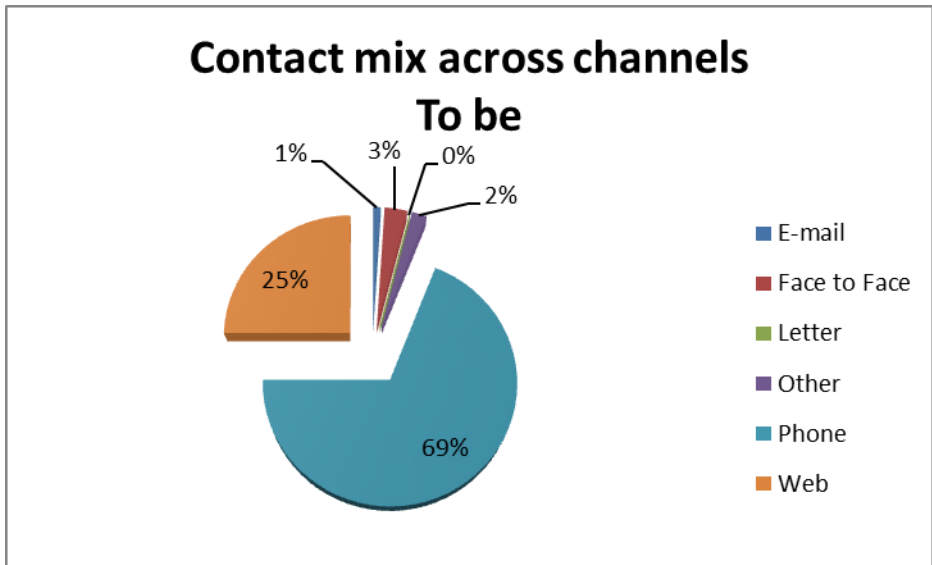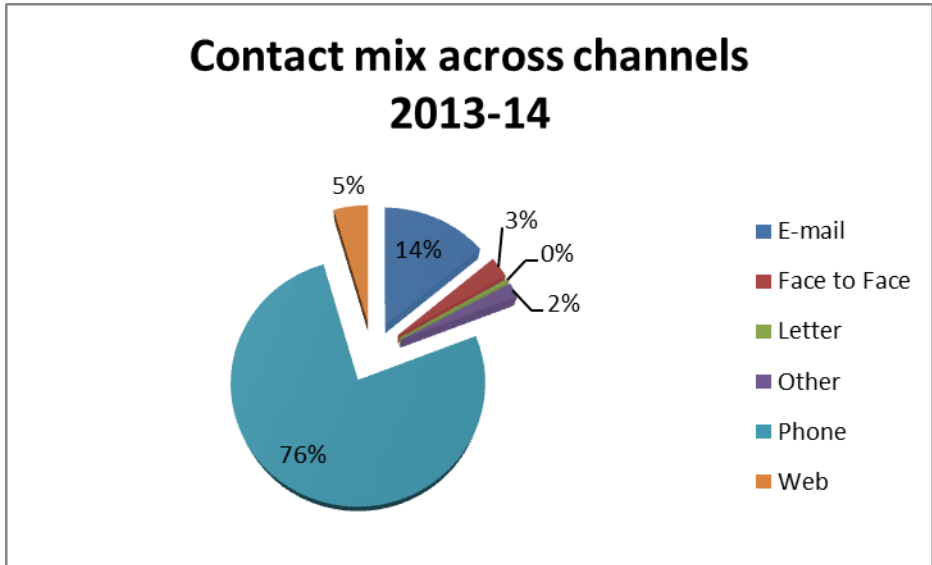
Figure 2 – Transformation – Channel perspective

Figure 2 shows the current mix of contacts (FY 13/14) across channels and the future mix of contacts once the programme has delivered. In the top pie chart (showing the mix today as best the limited data available will allow) email represents 14% of the contact volume. The use of email to this extent indicates a significant number of customers have access to internet/echannels which they are willing to use, however email is an expensive channel for the Council to process as it requires staff time to read

and respond to them. Strikingly, just under ¾ of the current mix represents telephone contacts. Clearly more efficiently managing this type of contact will be key to the programme.

The future channel mix, illustrated in the lower pie chart shows how the programme aims to significantly increase the volume of eChannel/automated interactions. The target set in the Corporate Plan for this is 25% and at this level it would bring Plymouth in line with the performance levels of other Councils. Analysis by the programme of Plymouth residents and the evidence of the high volume of email suggests that for some customers (and some services) delivering service though automation is actually what customers prefer. It is also important to note however that the shift to online service delivery does not come at the expense of face to face service which stays consistent at 3% of the total volume both currently and targeted in the future.

From a service management perspective the changes are as follows:
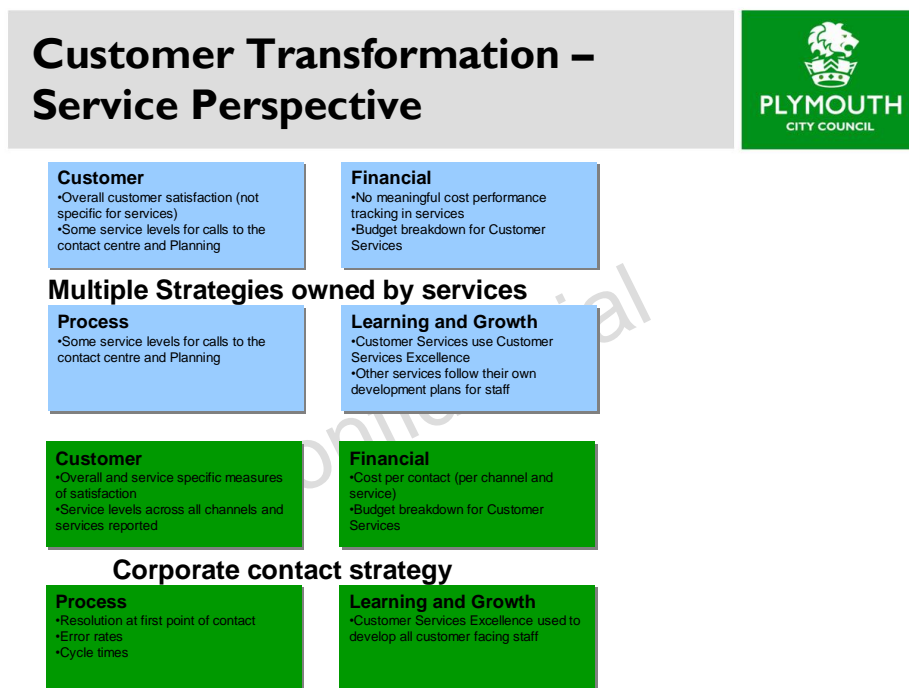
Figure 3 – Transformation – Service management perspective

In figure 3 the blue quadrants show a balanced scorecard approach that is piecemeal and inconsistent across multiple services, this is the situation today. The green scorecard shows a single strategy supported by a consistent set of performance metrics across services provided by and for the Council, this is the model that the programme will implement. The absence of a consistent approach to date has made measurement difficult as systems are different and targets are different so automated reporting is fragmented at best. This means that in some cases performance delivered to customers is poor and unnoticed by the organisation.

The programme will align PCC (and partners delivering on behalf of PCC) to a common corporate contact set of standards. The standards will be tracked through a set of performance measures and targets so as to allow services, Members and customers to see and understand performance being delivered. These measures will include a focus on the learning and growth aspects of customer service

so that staff acquire confidence and skills to continue to improve service beyond the timeframe of the programme as customer need changes.

The delivery of the corporate contact standards focusing on the "measures that matter" is a vital element of the programme as these measures define the changes required, between current and future target performance and the benefits realised by the programme. Achieving a culture change resulting in cross organisational understanding and commitment to these standards is one of the most valuable aspects of this programme.

The programme will address 5 financial value drivers detailed in the figure below:
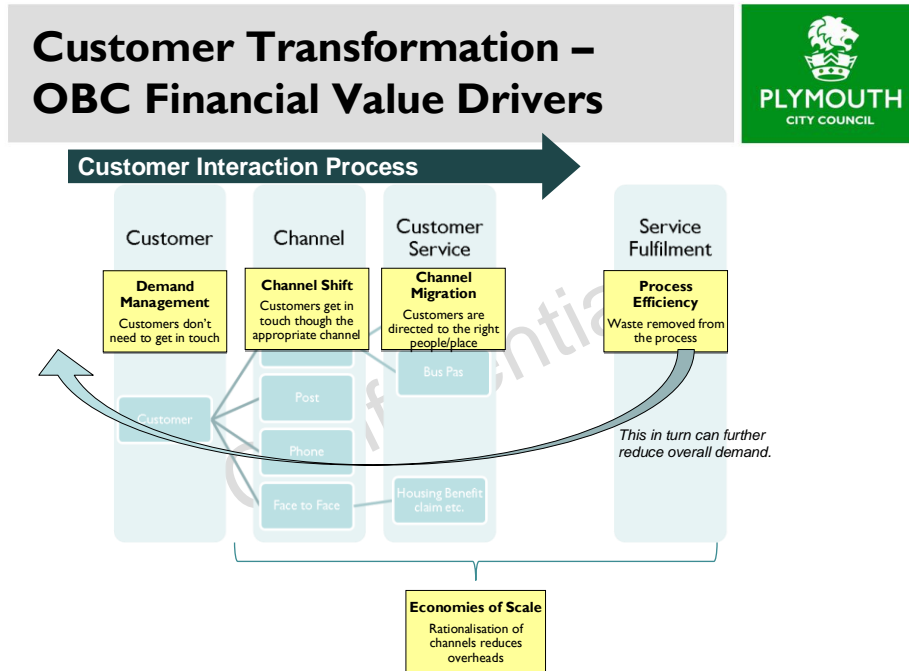
Figure 4 – OBC Financial Value Drivers

These value drivers in Figure 4 show how and where the financial benefits in this business case will be made. The changes delivered by the programme can also be described as follows:

- Stop (cost incurring activity) – through policy changes, demand management or lean reengineering
- Shift/migrate (demand) – to more cost effective ways of meeting the demand
- Simplify (service fulfilment) – through lean reengineering
- Automate (service fulfilment) – replacing manual work with ICT solutions

The approach of the programme will be to follow this sequence of events when looking to realise benefits. The bullets above are listed in order of their typical cost, so in this way expensive automation will only be required for customer demand that has been challenged and simplified as far as possible.

In addition to these financial value drivers the programme will also improve data quality (supporting business decisions relating to customers) and improve customer satisfaction. No attempt has been made in this OBC to financially quantify the benefits associated with these value drivers.

The key decision to be made around this OBC is which services should be reviewed by the programme. This decision is explored in the scope and options sections of this OBC.

2. Programme Vision

The vision of the Customer and Service Transformation (CST) Programme is to deliver some of the key building blocks to enable Plymouth City Council to become "the Brilliant Co-operative Council"

The CST Programme will:
- Bring **Pioneering** changes to customer service through reviews of services engaging with customers, partners, staff and members to ensure that the designs emerging are innovative and fit for purpose.
- The reviews will also ensure that services are made more accessible and available outside of conventional working hours.
- Support the **Growth** of Plymouth through delivering improved automation in the provision of services to customers, this will allow the Council to support increased customer demands for services without significant budget increases being required.
- Ensure that customer needs are understood and incorporated into the way in which services are provided in future. The programme will support the **Caring** outcome through the use of surveys and customer panels ensuring that citizens are at the heart of decision making
- Increase the **Confidence** of staff working with customers by empowering them to design and deliver services that meet customer needs. The satisfaction with the service provided to customers by the Council will become a vital measure of success for the programme and Council.

3. Strategic Case
Plymouth City Council has set the bar to become a Brilliant Co-operative Council. This 'Plan on a Page' commits the Council to achieving stretching objectives with measurable outcomes, and also sets out a Co-operative vision for the Council, creating a value-driven framework for the way that it will operate as well as the outcomes that it is committed to achieve.

The Council faces a £65m funding gap which has the potential to increase over the next three years without significant intervention.

To close this gap the council has initiated a number of far-reaching and ambitious change programmes over 2012-13 to address the twin aims of addressing financial constraints and improving service delivery.

In addition to feedback and advice about individual programmes, the Council received advice that has been carefully considered, and which has informed the overall design of the Transformation Programme and the content of the outline business cases for the five programmes

Customer and Service Transformation: This programme will transform the way the council interacts with customers to meet their demands and preferences, and transform the services that the Council decides to retain in-house. The scope of the programme includes:
- An assessment of currently available customer insight data and collection of required volume data, segmentation and geographical analysis, and service needs

- Design and delivery of customer access with transformed customer contact and channel shift
- Service reviews to define how to improve in-house and retained services through service quality, reduce costs and increase revenue
- The focus of activity for services to be provided elsewhere is driven by new service delivery models coming into existence

Co-operative Centre of Operations (CCO): Creating the business as usual strategic 'brain' for the Council, which uses the co-operative principles and intelligence to co-ordinate organisational decision making and activity. The scope of the programme includes:

- A leaner, more agile strategic centre that has the right capacity and capability to provide leadership and direction setting
- Directs the organisation; deciding what do deliver, how to do it and ensuring value is delivered
- Supports Service Transformation; setting up new delivery models for corporate and support services

Integrated Health and Well Being: The Council can engage with partners to deliver services at a lower cost, whilst also improving outcomes and customer satisfaction. The scope of the programme includes:

- Integrated approach to co-operative commissioning and provision
- Defining appropriate new delivery models for People (where not in-house)

Growth, Assets and Municipal Enterprise: The Council can become a more commercially-minded Co-operative Council. The scope of the programme includes:

- Generate additional income sources from the Growth Dividend
- Optimise the use of Council's asset base, to release properties surplus to operational requirements
- Deliver efficient in-house services and to realise opportunities to bring in additional income from trading services across the Council
- Defining appropriate new delivery models where agreed for Place service (and throughout all OBCs)

There is an enabling programme that will support them.

People and Organisational Development: The programme will enable the Council to define and deliver the required workforce and accommodation capability change. The benefits of the delivery programmes will not be realised without this programme.

3.1   Case for Change

The Customer and Service Programme has been established to deliver improved customer service and deliver financial savings. The opportunity to deliver on these two goals arises as a result of the historic approach taken by the Council to service delivery. The case for change is built on resolving 5 interrelated issues arising from the current ways in which the Council delivers service to customers. The issues identified are:

- Limited cross service integration meaning customers have to tell each service they use of their changed circumstances
- Service availability is perceived to be poor
- Current customer service standards are inconsistent and in some cases poor
- Little customer insight is available to support business plans
- Customers excluded from service design

Limited cross service integration
Until now the Council has allowed services to be delivered relatively independently of other services, therefore if customers called the Council to discuss their service requirements they would call a number that was likely to be answered by a member of staff working within that service. Staff working to provide services face to face are also likely to work for the service that the customer chose to approach. It's also been the case thus far that development of the web site has been based on the requirements from individual services for the automation of key transactions.

The result of this approach is that services have full control over the service they provide to customers and can ensure that staff have the required training and skills to address issues that customers present to them. However there is also little sharing of data between services and in some cases between channels, so a customer who moves would need to notify each service they receive from the Council of their change in order to maintain service continuity between their old and new addresses. This is frustrating/time consuming for customers and expensive for the Council as each contact incurs additional cost.

Service availability is perceived to be poor
It is also true that the return on investment for automating support for an individual service may be marginal or uneconomic and this has resulted in service delivery processes that are predominantly manually supported – incurring more revenue cost than would be the case if they'd been automated as well as being exposed to the risks of potentially poor quality and inconsistency in the service delivery. The dependence on manually supported service delivery has prevented the roll out of eChannels which would have allowed customers 24 hour access to key services.

Current customer service standards are inconsistent and in some cases poor
The opportunity therefore is to redefine the existing model for customer service delivery in the Council to one that continues to allow services to define service standards with and for customers whilst at the same time intelligently sharing information between services and channels (subject to data protection requirements) so that customers tell PCC once and relevant updates are made across the services provided to them. Working across services it is also anticipated that common processes will emerge which will reach a scale required to justify investment in automation. This in turn will allow for consistent measurement of service standards and a performance management approach to be taken to drive improvement for internally provided services and a contract management approach to be taken for services provided by external parties.

Service standards also need to include support for written correspondence to customers, which today can be very complex and result in further customer contact. It will also cover closing the loop with customers confirming that the service they requested has been delivered, saving them needing to re-contact the Council to chase for status updates.

Little customer insight is available to support business plans
The lack of customer insight helping services understand who their customers are and what preferences they have has prevented changes being identified and delivered in the past. For example parking permits are managed through face to face customer services in the Civic Centre, however having now examined the profile of customers requiring parking permits a significant percentage of them dislike having to find time during normal working hours to register their application. In fact in a recent survey students and young professionals accounted for nearly 50% of the demand for parking permits presented to the First Stop team. This finding underlines the priority that the programme will place on designing processes and channels to cost effectively meet customer demand.

Customers excluded from service design
Some of the standard letters issued by Revenues and Benefits are considered so complicated by staff and customers that working practice is to invite customers to a meeting rather than issue the letter (which simply results in confused customers requesting a meeting to explain the letter). This is a good example of where the involvement of customers to consider wording and layout options for standard letters could have reduced demand for services and improved customer satisfaction. This programme will use customer input in both the definition of standards and the delivery of changes from service reviews to confirm proposals before implementing them.

As evidence of the extent of the problem a recent survey conducted with customers using the face to face service reception in the Civic Centre revealed that around 25% of all visits were to notify the Council of a change in their circumstances. In most cases these contacts were handled by the service the customer felt was most relevant to them, and it would only have been if the customer also notified the Council about their other services too that changes to these would also be made. In the case of the contact centre work is currently underway to improve the systems support for staff working there such that instead of service specific systems being used by teams dedicated to handling calls for an individual service a single system is used to handle all types of calls which would allow staff to handle a variety of contact types. This change will improve the efficiency of the operation by allowing staff to address peaks in one service area whilst there are troughs in another.

The context for this change is that it is being planned at the same time as the development of a new blueprint for the organisation. The Full Business Case will recommend which services remain in house and which are operated by 3rd parties. The question arises therefore as to which services the programme should address as subjects for change. Arguably all services could be reviewed even those to be externalised, however the capacity (and therefore cost) of the programme would probably need to be increased to manage this at the pace required and the savings from some services may not be that significant. The alternative option is to only focus the change efforts of this programme on services known to be staying in house, this will ensure that these services improve and are recognised as providing good value for money. A third option is to prioritise the services to be addressed by the programme on the basis of potential for savings and/or other factors such as the cost/effort and risk of the change, customer impact and/or requirements of other programmes. Note: these options are not mutually exclusive so combinations of these approaches could also be taken. The options described above will form the basis of the options described in section 4 (Options Appraisal) of this OBC.

Regardless of the choice of services that will be subject to change by the programme, benefits will be delivered by the programme as a result of changes within individual services to the following value drivers:

- Demand management – reducing (unnecessary) customer contacts through interventions such as clarifying our written correspondence
- Channel migration – moving contacts to the recognised single point of contact (for each channel) through work such as moving call handling from administration roles within services to the contact centre
- Channel shift – shifting contacts from more expensive channels to those that are cheaper to deliver service, by for example promoting to customers the ability to apply for parking permits online rather than have to call in to the Council and apply face to face. This value driver will aim to align Plymouth with the national average for Councils in achieving ~25% of contact volumes handled via eChannels/internet (from a starting point of around 3%).
- Process efficiency – reengineering processes to simplify, streamline and automate where possible to take out costs, through for example connecting the Housing Benefit application process to the Academy system (at present the form completed online is saved as a pdf for staff to rekey the contents into Academy).

After the first service has been reviewed a further value driver will also be available to the programme:

- Economies of scale – as each service is reviewed consideration will be given to the possibility of delivering processes (or parts thereof) through the transaction centre or other corporate functions. The identification of suitable processes for this type of change will only emerge through being able to look across services for common processes, hence this value driver will only be addressed once more than one review has completed.

The programme will also address some significant value drivers for which no attempt will be made to financially quantify the benefits. The non-financial value drivers are:

- Customer satisfaction
- Data quality improvement

The costs included in this OBC only include the staffing costs for programme resources (internal and external). ICT costs are being captured at the Portfolio level.

3.2   Aim

This programme will transform the way the council interacts with customers to meet their demands and preferences, and transform the services that are prioritised as subjects for review. The scope of the programme includes:
- An assessment of currently available customer insight data and collection of required volume data, segmentation and geographical analysis, and service needs – leading to the establishment of a customer insight capability supporting decision making in both in house and externalised services.
- Design and delivery of customer access with transformed customer contact and channel shift
- Service reviews to define how to improve in-house and retained services through service quality and reduce cost
- The focus of activity for services to be provided elsewhere is driven by new models coming into existence

3.3   Scope

The programme of work covering the standards, customer insight and performance management is scoped to cover all customers (internal and external), all channels and all services (conducted by or on behalf of the Council). This work will not cover changes to service delivery and commissioning, people/organisation and culture, processes/transactions or accommodation. It will include change requirements on information and technology to support the measurement of service standards as well as the capture and analysis of customer data.

Service reviews are likely to take one of two forms; type 1 will take the form of training and tools provided to a service area such that they are able to implement the blueprint for themselves. Type 2 will take the form of a project team to work alongside a service to re-engineer processes, systems and organisation in order to implement the blueprint and achieve a step change in performance. The choice between these two types of review will rest on the anticipated scale of change required and the benefits expected. The scope of work covering type 1 service reviews will cover the processes, people/organisation, information, technology required to support the services and customers agreed to be in scope for the reviews.

3.4   Out of scope

Services fully externalised from the Council, i.e. those for which the Council no long retains responsibility (such as Plymouth Community Homes) are out of scope of the programme.
The delivery of alternative delivery models for individual or collections of service is outside of the scope of this programme. Accommodation will be the responsibility of the People and Organisational Development (POD) Programme, specifically this relates to the provision of the new shop and the accommodation to support the expansion of the contact centre.

3.5   Outcomes

The outcomes of the programme include:

- Definition and delivery of a clear vision and strategy for customer interaction across the Council to allow customers simple, convenient and effective access to the information and services they require
- Improved quality and efficiency of customer 'access and management' across the Council
- Improved quality and efficiency of customer interactions across all service areas
- Increased consistency and effectiveness of customer service across the Council
- Reduced cost of customer service (overall and per transaction)

The programme is required by the Council in order to deliver the Corporate Plan. Key actions 1 and 2 (Implement the Customer Transformation Programme and Focus performance improvement on top priorities identified by Plymouth residents) as well as performance measures P1 and P2 (80% of customer contacts with the Council will be managed through the single point of contact, with 80% of enquiries dealt with at first point of contact and Provide fully transactional services on the web – through a "Citizen Portal" with a target of the national average and 2% (from 3% to 25%) by volume) are to be delivered by the Programme.

3.6   Assumptions

The programme brief made the following assumptions:

- It is assumed that the programme briefs will align to the co-operative values of the Council and these in turn will guide senior officers and Members decisions to ensure that the scope of the programmes co-operative where appropriate.
- A series of standards and behaviours that make PCC distinctively co-operative will be used to evaluate the most appropriate combination of delivery models. The strategic principles and design features have been applied to guide the development the future state of the Council.
- As part of becoming a Co-operative Council, PCC is changing the way services are delivered, including internal support services which are currently delivered predominantly in-house. The Co-operative Council strategy, being implemented by the Transformation Portfolio, is to assess transferring service delivery to 'alternative service delivery vehicles' (ASDVs). As a result of this assessment a Full Business Case will set out the best options to deliver our services. The presumption is that, where there is a good business case and viable options for ASDV, there are benefits to this approach for services rather than delivering them in-house.
- The development of the Blueprint has involved the engagement of staff to establish the gaps in capability and will involve further engagement with Members to inform the focus of the programmes. Each of the transformation programmes will help to address the current gaps in capability. The requirements of each programme will be defined with minimal disruption to business as usual activity where ever possible.
- ICT, TUPE and other governance arrangements relating to new delivery models will be determined in the full business cases. Any defined requirements on future technology capability will be linked to the service level agreement and requirements for (Delt) Shared Services.
- It is assumed that the programme briefs will be used to provide a high-level overview of the programme and to help determine the scope and requirements with the Senior Responsible Owner (SRO) and Transformation Portfolio Board. There is further work required in the outline business cases to define structure, roles and skills of each programme and these will build on the programme briefs with the addition of a case for change, options appraisal, an updated programme of work including an implementation and resource plan, cost and benefit analysis, risk analysis.
- Before progressing to the development of outline business cases Senior Responsible Owners (SROs) and the Transformation Portfolio Board will agree governance arrangements for each of the programme boards and appoint programme managers.
- An all-party group through the Member Portfolio Board will sign up to the principles of this programme in order to future-proof against any major political change.

In addition to these assumptions the following assumptions have been added as a result of the development of this OBC

- Customer demand for service isn't going to be driven up during the period of the business case as a result of external (outside of our control) factors such as further or more radical acts of welfare reform
- Customer demand for service isn't currently so stifled that once improvements are delivered previously latent demand consumes the additional savings generated by the programme
- Channel mix isn't going to change without programme interventions

- Customer service staff costs don't increase faster than other staff costs over the period of the business case
- Baseline costs and performance levels are taken from Q2 and Q3 FY 13/14 – and are not adjusted to account for planned changes to be made by management actions or other service interventions.
- Funding and approval for required ICT changes will be forthcoming and will be managed outside of the programme governance
- The cost of staff time for those involved in workshops for service reviews and/or other work streams are not included in the costs for the OBC
- Savings are dependent on agreement to suitable service levels based on customer and service needs. In the majority of cases this should be an improvement however in a few cases this may reduce the service currently provided

3.7 Stakeholders

The programme will engage with staff and customers fully in the design of customer standards, customer insight capability and the service review processes. The work already being delivered in the relocation of the Civic Centre customer reception has involved staff/Trade Unions heavily in understanding the results of the customer survey and then developing new ways of handling customers in the new shop. Customers will be asked to review the designs resulting from the review prior to planning the implementation of changes. This way of working will form the template for all subsequent reviews conducted by the programme.

In future reviews it should also be possible to engage with relevant partner organisations as part of the review to confirm that changes that could be made will be understood by all parties that interact with PCC customers.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
Staff	**affected**			X	
	unaffected				X
Communities				X	
Partners					X
Members			X	X	

4. Workstreams

The programme comprises 4 related work streams, these are: Customer Insight, Customer Standards, Service Reviews and the Customer Operating Model. Customer Insight, Customer Standards and the Customer Operating Model have been considered core to the future of the Council and have therefore been included in options 1 to 3 set out below. The 3rd work stream – Service Reviews is subject to choices in the scope of services reviews are applied to.

5. Financial Case

5.1 Cost-Benefit Analysis

On the basis of the available cost benefit data this case looks marginal at best. Payback on the resource costs of the programme occurs around 4.5 years after the start of the project, however the case does not include the ICT investment required to deliver the benefits. Whilst it is impossible to properly estimate the cost of the required ICT it is likely that these costs will more than equal the resource costs. As result the programme clearly requires more work to be performed on reducing the costs and increasing the benefits before it could be put forward for approval.

5.2 Cost and Benefits Analysis

Total Estimated Additional Financial Benefits (£k)	£1,454,000k
Total Estimated One-Off Net (Cost) / Benefit (£k)	(£1,396,000k)
Total Cost Required to Develop till Next Checkpoint	£709,000k
Estimated Payback from Start of Project (Months)	48
Estimated Annual Return on Investment	1.041547278
Project Duration (Months)	36
Complexity (0-7)	6
Stategic Alignment	High
Total Cost Avoided (£k)	

The above data is taken from the cost benefit spreadsheet for the Programme and clearly only contains the financial benefits of the programme. Section 4.4 shows the list of benefit types that the programme will deliver including the non-financial types.

5.3 Expected Costs

The only costs captured within this OBC are those required to cover the staff and external support to fill the roles set out to deliver the programme. Costs associated with governance including preparation and attendance at Programme/Project Boards are not included in the costs of the programme. The other costs associated with the delivery of benefits for the programme are understood to be owned at a portfolio level in the case of the technology requirements and in the case of accommodation requirements by the POD programme.

All costs therefore currently treated as revenue expenditure.

The table below shows the governance and delivery resources required to deliver the programme.

	2013/14	2014/15	2015/16	Total Cost
Programme Manager	£30,450k	£73,080k	£73,080k	£176,610k
Programme Manager (E)	£0k	£0k	£0k	£0k
Business Architect (I)	£0k	£0k	£0k	£0k

Solutions Architect (E)	£54,600k	£146,160k	£70,560k	**£271,320k**
Project and Programme Support (I)	£6,300k	£25,200k	£25,200k	**£56,700k**
Project Manager (Foundation) (I)	£16,800k	£33,600k	£0k	**£50,400k**
Project Manager (Practitioner) (I)	£30,240k	£117,600k	£120,960k	**£268,800k**
Project Manager (Expert) (E)	£36,225k	£72,450k	£0k	**£108,675k**
Business Analyst (Foundation) (I)	£29,400k	£66,150k	£44,100k	**£139,650k**
Business Analyst (Practitioner) (I)	£23,625k	£70,875k	£56,700k	**£151,200k**
Business Analyst (Expert) (E)	£69,300k	£103,950k	£0k	**£173,250k**
	£296,940k	**£709,065k**	**£390,600k**	**£1,396,605k**

The programme benefits are dependent upon the following technology solutions becoming available as per the table below:

Platform	Description of requirement	Required by date
Telephony – outside of the contact centre	Ability to record and report calls received (internal and external) and service levels by service area	Q4 FY 13/14
Web site	Integration to fulfilment systems allowing automated support for high volume customer interactions, ability to handle cross service changes (such as change of address) and case management including the provision of data to customers such as fulfilment status	Q1 FY 14/15
CRM	Integration to fulfilment systems allowing automated support for high volume customer interactions, ability to handle cross service changes (such as change of address) and case management including the provision of data to customers such as fulfilment status	Q1 FY 14/15
ERP/CRM	Ability to capture and analyse customer data from both operational systems and external data sources	Q2 FY 14/15
Workflow	Automated process support to meet requirements emerging from service reviews	Q2 FY 14/15

The accommodation requirements from this programme are as follows:

- Provision of a new city centre "shop" to provide customer services from to replace the Civic Centre

- Expansion of the contact centre to allow channel migration from services reviews
- Expansion of the transaction centre to allow channel migration from service reviews

5.4   Expected benefits

The benefits from this programme will result from the following value drivers:

Value Drivers

Value Driver	Value Type	KPIs
1 Demand Management	Cost reduction	Total number of transactions (all channels)
2 Channel Shift	Cost reduction	Channel mix (ie. % of customers using each channel – by service)
3 Channel Migration	Cost reduction	Number of re-directed/unfulfilled transactions
4 Process Efficiency	Cost reduction	Average transaction time Total numbers of transactions (by service)
5 Economies of Scale	Cost reduction	% Overheads per transaction
6. Non Financial benefits	Customer Satisfaction	Customer surveys
	Data quality Improvement	TBC

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Benefits 1 to 5 inclusive are identified as cashable financial savings.

Savings are based on the type 1 service reviews conducted by the programme. Based on the plan for delivering these the expected annual benefits to be delivered from this programme once complete is calculated to be around £1.5m pa. In FY 14/15 the programme is expected to deliver £176k savings from service reviews in Benefits Administration.

The table below shows expected benefits for this programme:

Customer Service Programme Savings £k	FY 14/15	FY 15/16	FY 16/17
	280	900	1,500

This version of the benefits has been included in the financial consolidation of Transformation into the budget as well as the cost/benefit calculations within this OBC.

The programme will also deliver against non-financial benefits covering customer satisfaction and data quality improvement. Customer satisfaction will be measured at an aggregated and service specific level

and can therefore be quantified, data quality improvement at this stage has not been defined sufficiently to propose a quantified measure.

6.   Management Case

6.1   Programme Plan

The Programme plan assumes service reviews running sequenyially until mid 2016. Customer standards should be developed and delivered by June 2015. The customer operating model is expected to be delivered by Autumn 2014.

The sequence of the service reviews has been based on anticipated benefit levels and the opportunity to most quickly align the organisation to the operating model (by for example prioritising services currently operating their own call handling within the service).

6.2   Risk Analysis

The risk log for the delivery of the OBC is attached as an appendix. The programme will maintain an active risk log across all activity undertaken, risks will be managed in line with the portfolio/programme standards set out in Section 6 below.

6.3   Interdependencies

The main interdependencies for the Customer and Service Transformation Programme are as follows:

Direction of dependency	Nature of dependency
Customer depends on:	
POD	Deliver the accommodation and fitting for the new city centre shop
ICT	Deliver the ICT requirements for the COM, service reviews, service standards and customer insight projects
Customer delivers to:	
CCO	Deliver specification and operation providing customer insight to organisation

There is potential for overlap with the Integrated Health and Social Care Programme around the timing and scope of service reviews in the Advice and Information areas of Adult Social Care and Childrens Social Care. The details of these reviews will need to be agreed with this programme.

7.   Programme Organisation
The terms of reference for the Customer and Service Programme Board is attached as an appendix to the OBC.

7.1   Guiding Principles and Methodologies

The programme will use the Portfolio lifecycle, strategies, standards and methods put in place by the Transformation Portfolio Office (TPO).

7.2 Quality Management
Quality Management Strategy and Plan – Portfolio Office

7.3 Portfolio level Benefits Management
Portfolio Level Benefits Management Strategy will be used

7.4 Risk Management Strategy
Corporate Risk Management Strategy

7.5 Methodologies
The programme will follow the management guidance and standards defined by the TPO for processes, tools, methodologies, document management, templates and assurance.

Management of Portfolio, Managing Successful Programmes (MSP) and PRINCE2 methodologies will be used as tailored specifically for Plymouth City Council Transformation Portfolio.

7.6 Equality Impact Assessment
The Transformation Portfolio Office has written an Equality Impact Assessment on behalf of the Transformation Portfolio.

7.7 Any other tools / methodologies / processes / standards / assurance
Plymouth City Council Transformation Portfolio Lifecycle has been developed to assure the safe delivery of the projects and programmes in the Transformation Portfolio.

Governance is applied across the Projects and Programmes in accordance with the Transformation Start-up Pack and subsequent documentation from the Portfolio Office.

7.8 Programme documents
All documents pertaining to the standards, processes, tools, methodologies and assurance to be applied to all Programmes and Projects in the Transformation Portfolio will be found in the Portfolio Office Folder as shown above.
All files for specific Programmes and Projects will be filed by Programme and Project.

8.   Appendices

Appendix A – Risk Log

Ref.	Risk	Likelihood Rating	Impact Rating	RAG Status	Mitigating Action
CST_RSK_1	Quality and availability of financial and operational data regarding customer service delivery is very poor and results in a high degree of uncertainty to the expected benefits calculation	5	5		Develop more robust figures as part of service reviews – only then confirm expectations on benefits
CST_RSK_2	Excluding ICT costs from the Customer OBC makes decision making on the cost benefits of this programme impossible.	5	5		Decision effectively should be taken on the portfolio as individual cases for programmes are not valid
CST_RSK_3	The scale and number of changes across PCC (from other programmes and management actions) makes establishing a meaningful baseline difficult and could cause conflicts and capacity challenges in deploying change	4	5		Integrated planning across the portfolio and management actions is required. Business Change Managers to own the schedule of change across the business
CST_RSK_4	The availability of resources to support the programme with the required skills at the right time could cause delays to the proposed plans	3	4		Ensure all parts of the organisation are aware of the programme resource requirements, use programme and portfolio governance to prioritise requests
CST_RSK_5	Customer demand may currently be constrained by existing low service standards. As service improves customer demand	3	5		Manage Member, CMT and customer expectations carefully based on data from reviews and ongoing

	could increase and undermine financial savings				performance management
CST_RSK_6	Customer demand may be driven higher by national and/or local policy changes undermining the financial savings projected	3	5		Manage Member, CMT and customer expectations carefully based on data from reviews and ongoing performance management
CST_RSK_7	ICT requirements prioritisation process isn't clear and could cause delay/prevent the delivery of programme benefits	4	5		Use programme and portfolio governance to resolve this risk