

	<p>Performance and Contract Management Committee</p> <p>23rd July 2014</p>
Title	Update on Telephony Issues
Report of	Director of Commercial and Customer Services LBB
Wards	All
Status	Public
Enclosures	N/A
Officer Contact Details	<p>Claire Symonds – Director of Commercial and Customer Services LBB Claire.Symonds@barnet.gov.uk</p> <p>Anna Earnshaw - Operations and Commercial Director Customer and Support Group (CSG) Anna.earnshaw@capita.co.uk</p>

Summary
<p>This report provides the Committee with information as requested in respect of the reported issues experienced following the move of the CSG contact centre to Coventry and provides an update on performance since the published Q4 report.</p>

Recommendations
<p>1. That the Committee note the report provided in respect of CSG telephony and comment where appropriate.</p>

1. WHY THIS REPORT IS NEEDED

- 1.1 The Performance and Contract Management Committee at its meeting of 11th June resolved to consider and review performance management arrangements and the end of year position of this Delivery Unit.
- 1.2 At this meeting Members requested further information on the performance of CSG telephony.
- 1.3 On 8th April the Council's main contact centre "First Contact" was relocated to Coventry as part of the planned CGS transformation improvements and contribution to the £126m (£5.2m in year 1) of savings that Capita committed to within the CSG contract. The Adult Social Care Direct contact centre and all face to face service locations remain in Barnet in line with the Council commitment to residents.
- 1.4 At the Performance & Contract Management Committee on 11th June it was highlighted that a number of problems had been reported by the public, officers and members in relation to the new CSG Contact Centre in Coventry. There was a perception that Contact Centre performance had worsened in terms of switchboard services and because of the number of calls from the public receiving the engaged or unobtainable tone. CSG was therefore asked to report back to this committee with further information on the issues, causes and impacts and to set out what improvements were being made.

Background

- 1.5 There were a number of drivers for the changes to the way that First Contact is delivered and the technology changes made within the Customer Service Transformation, these included:
 - **Flexibility** – the Coventry contact centre is a national centre of excellence for Capita Local Government and by using it for the provision of services for Barnet, we are able to offer flexible staffing based on demand, provide greater resilience and pass on the benefits of existing experience and platforms
 - **New Technology** – Service enhancements to the telephony by integrating Capita's Managed Voice Service (using the Avaya technology platform) and the existing CISCO platform would provide new capabilities such as caller recognition and a new Customer Relationship Management (CRM) system would provide a record of all transactions with a customer in one place in order to help facilitate their enquiries more effectively.
 - **Cost savings** – The CSG contract is already contributing £126m towards the Council's current MTFs savings which include significant savings as a result of channel shift that relies on getting more customers to use the web and other forms of service access thus reducing the number of calls and

at the same time reducing the operating costs of the telephony service that remains.

- 1.6 The outcome of the Customer Service transformation is to ensure that those customers who can self-serve do so and that those customers who still need to call us get an efficient high quality service where the person that they speak to knows who they are, the history of their contacts and owns the completion of their enquiry as far as possible.

CSG Transformation Programme

- 1.7 The CSG contract has now been in place for 10 months. During that time the planned extensive programme of transformation has progressed bringing investments in process, people and technologies and some significant changes to locations and business processes. To date this programme has included:

- Replacement finance and procurement system
- Replacement HR, Payroll and Pension system and relocation of services
- Replacement CRM system and Contact Centre and relocation of services
- The build of a new data centre with full disaster recovery and business continuity capability
- The build of a new asset management system
- New project and programme management systems
- Insight / Business Intelligence capability
- A new Intranet

- 1.8 It was originally envisaged that the significant changes around Finance, HR, Procurement and Customer Service would be delivered over a 12 month period. However, due to the delays as a result of the JR this timescale was impacted and shortened to 6 months in order to avoid significant slippage in the savings to be delivered. As a result the implementations of these key systems were not phased as originally envisaged and in some cases had to be delivered against a general backdrop of some seasonal and specific pressures that added additional challenges during the build up and go live periods.

- 1.9 It is also important to note that this level of transformation brings its own challenges. Developing this new infrastructure has “flushed out” problems and practices which have caused performance issues, as described below.

- 1.10 Prior to the new Coventry Contact Centre going live on 8th April there were a number of activities that had to be completed, these included:

- The refurbishment of the new Barnet Contact Centre
- The planning and handover documentation for the relocation

- Training of the 50 new staff in Barnet processes
- The implementation of network links for media and data transfer
- The implementation of the new MVS telephony solution
- The integration between the MVS and existing Council CISCO platform
- The implementation of a new CRM system in the new data centre
- The four phase transfer of Contact Centre services to Coventry

1.11 Two other significant changes that occurred at the same time were:

- The implementation of a new parking system ICES by NSL. This was planned to go live in a similar timescale to the contact centre but required a two week period during which the system would not be available for the contact centre staff to process applications, renewals or check queries. This time was to be used to train the staff and prepare for the new system go-live.
- The return of calls relating to some RE services (Planning, Environmental Operations and Building Control) back to Barnet at the end of April. These are now handled by a dedicated and specialist RE contact centre in Barnet which has been expanded to take more calls and deal with more complex queries at the first point of contact.

Reported Issues

- 1.12 Although there was a minor delay to the Schools admission phase of the service transfer (while remote system access and performance was improved) all services moved on time and initial indications were that the service was performing well. However, as the calls transferring up to Coventry increased some issues began to emerge.
- 1.13 Initially this manifested itself when staff in Coventry attempted to transfer calls back to a Barnet service (such as Libraries) or a specific Barnet Officer Extension and the receiving person could not hear the caller but the caller could hear the recipient. The call then got cut off.
- 1.14 During May, further problems emerged. Firstly in terms of dissatisfaction with the new switchboard service and the inability of the switchboard staff to locate the person being called in the directory they had inherited and so put the caller through. Even more seriously callers began to experience their calls being met by the unobtainable or engaged tone when calling the Council's main number.
- 1.15 In addition to the above, the public questions tabled at the P&CM committee of 11th June questioned whether Capita had the ability to cap the calls coming into the contact centre and suggested that the unobtainable and engaged

tone were as a result of such capping and an attempt to divert callers from taking the Govemetric Survey an report their dissatisfaction.

1.16 Over the first 10 months of the contract (September 13 to June 14) the Contact Centre has handled an average of 82,000 calls per month. This is in contrast to the same 10 months last year (September 12 to June 13) when the average monthly calls were 68,000. These figures are shown below:

	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Average calls
Call Volumes	71,621	71,495	65,189	47,161	70,991	55,795	94,626	74,329			68,901
	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Average Calls
Call Volumes	82,163	111,890	88,378	66,400	88,829	75,235	86,189	80,554	71,744	71,298	82,268

1.17 Since the CSG contract began CSG has also consistently handled more calls as a percentage of the calls presented in spite of the reported issues, with the percentage handled rising from 90.89% of calls at the end of Q1 in 2012/13 and 96.71% answered in Q1 this year.

Period Covered	Jan 13 to April 13	Jan 14 to March 14	Quarter 1 2014/15*
Calls Presented	255,496	249,760	230,778
Calls Handled	232,231	237,816	223,194
Number of calls not getting through	23,265	11,944	7,584
Percentage of calls answered	90.89%	95.22%	96.71%
Customer Satisfaction levels at the Year end	March 13 - 43%	March 13 - 64.92%	March 14 - 65%
Customer Satisfaction levels at the Quarter end Q4	Q4 2012/13 - 51%	Q4 2014/15 - 69.61%	Q1 2014/15 - 68%
Customer Satisfaction levels at the Quarter end Q1	Q1 2013/14 - 45%	N/A	

* Note the Quarter 1 2014/15 figures exclude RE calls during May and June 14 which averaged 11,000 in each month. The total figures need to be validated and presented as part of the Q1 P&CM Performance Report for September 14.

1.18 Performance in the Contact Centre has been consistently good across all the Corporate Performance Indicators despite the call volumes and issues. The reported performance across the 3 quarters are shown below¹:

Service	Indicator Code	Baseline	Q3	Q4	Q1
Customer Service	Customer Satisfaction	52.00%	53%	61%	68%
Customer Service	First Contact Resolution	35.00%	31%	44%	61%
Customer Service	Customer Advocacy (calls answered 20 seconds)	65.00%	72%	70%	78%

1.19 These KPIs and the percentage of calls answered, benchmark well not only against other local government accounts, but against the retail accounts that Capita provides customer services to, for example:

Local Government accounts

- The percentage of calls not answered of those offered varies from 1% to 10% dependant on the call types and contract SLAs
- The targets for the percentage of calls answered in 20 seconds varies across our accounts, but performance across 8 accounts varies from 60% to 84% dependant on the contacts and time that the service has been in place.

For retail accounts

- Samsung - 95% of calls are answered and 80% are answered in 20 seconds.
- Boots (new contract) – 80% of calls are answered in 30 seconds
- Debenhams – 70% of calls are answered in 30 seconds
- M&S - 80% of calls are answered in 20 seconds
- Carphone Warehouse – 80% of calls are answered in 20 seconds

Underlying Issues

1.20 The new contact centre implementation project was a multi service, complex and high impact change project that was closely managed through a joint programme board. However the situation was complicated by the lack of documentation and retained knowledge of the Council's existing telephony solution inherited by CSG, in particular in relation to a number of legacy issues and practices existed which had been put in place over time.

1.21 These issues have been uncovered as problems emerged over the capacity on the Council's 180 telephone lines. The issues presented themselves by callers not being able to get through on all calls, getting an unobtainable or

¹ The Quarter 1 reports for 2014/15 are still subject to council validation before publication

engaged tone or the call being cut off. Examples of the local practices that caused some of the issues included:

- The suspension of Council extension numbers by staff away from their desks using the “forward” function rather than using voicemail or diverts or at staff at their desks but not logged on – both of which result in an engaged signal for the caller
- The diversion of Council extensions to other phones and their onward diversions to other unanswered extensions which previously meant that after 4 “hops” or diverts, the call was “suspended” without connection resulting in the callers being left hanging on the line, but not recorded within the management information statistics for either the new MVS or old CISCO platform. This configuration has been removed.
- The diversion of Council extension numbers to mobile numbers which weren’t answered.
- The undocumented use of “hunt groups” where calls were diverted back into public facing queues
- The diversion of Council extension numbers to the Switchboard in Coventry.

1.22 As a result of removing these local practices following complaints, additional volumes of calls have been introduced onto the lines that may not previously have got through; this was particularly the case in relation to the use of diverts.

1.23 In addition, one of the key drivers of increased call volumes was the transfer of all Council Tax calls to the contact centre. Prior to the CSG contract around 200 calls a day (Monday peak) were being handled by the Council Tax back office. These calls were higher than they had ever been due to the introduction of the CTS Scheme in April 13 which meant that 23,000 people within the borough had to pay more Council Tax and of these 13,800 were paying something for the first time.

1.24 Prior to the Capita contract the Council was not performing well in this area and in September and during October 2013, there continued to be high levels of complaints, including member complaints about the inability to get through to the service. To resolve this and give greater capacity within the service the Revenues and Benefits calls were moved to Coventry during November 2013 and complaints subsided until April and May 14 when the combination of this, plus other peaks in calls created unprecedented demand on the limited phones lines and led to the problems set out below.

1.25 Lastly, at the end of April the calls previously taken by the Contact Centre relating to some Re services (Planning, Environmental Operations and

Building Control) were passed back to Re. These are now handled by a dedicated and specialist Re contact centre in Barnet which has been expanded to take more calls and deal with more complex queries at the first point of contact.

- 1.26 This also meant that during May additional calls were being received and getting through that may have previously been restricted by the practices above, as the use of diverts and the hunt group issues first came to light. As a result calls have gone from an average of 7,000 calls per month when CSG handled the calls to an average of 11,000 in May and June 14.
- 1.27 The situation has been further aggravated by adding the seasonal events and annual campaigns below (which have coincided with this period of change) which meant that the capacity issues were exacerbated and extended over a period of time.
- The introduction of a new Parking system by the Council requiring new processes and training in the contact centre and period of downtime that resulted in backlogs of enquiries and high levels of contact and repeat contacts to the contact centre during May
 - Council Tax Annual billing taking place at the same time as the contact centre went live in April
 - The annual schools admissions applications process at the start of 2014, and
 - The elections in May 2014
- 1.28 On 14th May Capita pro-actively commissioned an end-to-end review of the Telephony Estate, which was completed on 4th June. This review identified that one of the major factors affecting the Telephony Service is the unanticipated increased call volumes overall since the contract baselines for Customer Services were confirmed and during peak times/periods. In addition there has been an unanticipated rise in Average Handling Times (AHTs) due to more complex and lengthier calls. Together these things are adversely affecting the capacity of the 180 telephone lines into Barnet.
- 1.29 The review also confirmed that the integration of the two telephone systems and common use of the Council's main 020 8365 2000 number means that when a call is routed to Coventry and then requires routing back to a Barnet site, for example switchboard calls and Library bookings, these call take one line for the incoming call routed to Coventry and then a second line for the outward diversion to a Barnet number. While there was no extra cost to customers, at peak times and with the issues described above, the capacity of the lines was soon reached at key points.
- 1.30 That the capacity of the lines was not adequate given the changes in call volumes and requirements. It was however the Council who took the decision early in 2013 prior Service Commencement (and after the contract had been agreed) to reduce the then line capacity of 240 to just 180 lines. This was

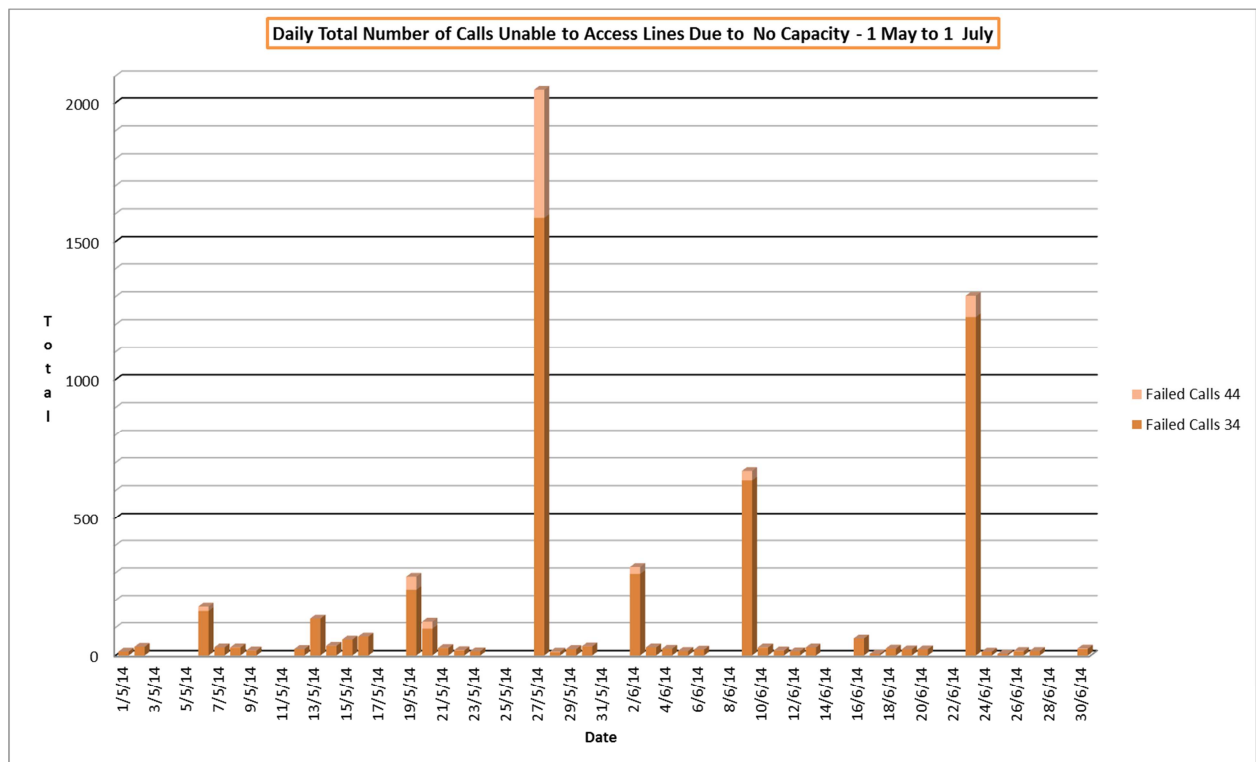
done as part of the Council's Customer Services Transformation and planned channel shift. It was only as the effects of all the above were seen that the implications of this became clear.

Scale of the Issue

1.31 CSG was asked at the Committee of June 11th whether it could identify the level of calls that have been failing to get through and therefore may have heard the unobtainable or engaged tone. It was also challenged to confirm whether call capping was possible by CSG and if that had led to the call failures whether purposely to avoid complaints or as an unintended consequence.

1.32 CSG has now obtained the reporting capability and historical statistics to report of the number of calls that have been unable to get through. The graph below shows all calls that register as either having "No circuit/channel available" or that the "Requested circuit/channel not available" and would include all calls that get an unobtainable or engaged signal. The peak failures are in line with the peak calls but it should be remembered that:

- These can be one person trying to connect many times in succession, and
- If an extension is called externally that is not logged on and does not have a forward set to another extension or has no voice-mail profile set up the caller will receive the engaged tone



- 1.33 This shows that the average number of calls that don't get through across all the Council's lines and extensions is 45 calls in any one day. However there have been several peaks and these can be mapped to the issues with a backlog of parking permit and voucher requests in early May and following the issue of large amount of Council Tax reminders or summonses. The mapping of their issue and the resulting peak is shown below. When they are taken out, the average number of daily calls that doesn't get through is 30 calls.

Documents Issued & Date	Call Peak Date
	Tuesday 6 th May – 175 calls failed
	Tuesday 13 th – 132 calls failed
Thursday 15 th May - 1,764 Finals issued 2nd class	Monday 19 th – 286 calls failed Tuesday 20 th -
Wednesday 21 st May and Thursday 22 nd May – 10,457 reminders issued second class	Monday 27 th – 2050 calls failed
Friday 23 rd May – 5,300 summonses issued 1 st class	
Friday 6 th June – 1640 reminders issued	Monday 9 th June - 670 calls failed
Thursday 19 th June – 3000 summonses sent 1 st Class	Monday 23 rd June – 1300 calls failed

- 1.34 CSG has also confirmed that Call capping is possible to both the existing CISCO and new MVS telephony platform. This has only been used on three occasions all during May 2014 and followed the issues of high volumes of enforcement notices. Call capping does not result in callers getting the unobtainable or engaged tone, instead they hear a recorded message on any capped lines that states that all agents are busy and they are unable to take the call and requesting that the caller calls later when the lines are quieter.

Mitigating actions

- 1.35 CSG has taken the following actions to resolve these issues:

Immediate - short term solution Capita has commenced the following:

- CSG has ordered 60 additional incoming lines. This will mean that there will be 240 telephone lines into the Council, which will give extra capacity. The 60 additional incoming lines were ordered on 5th June 2014 and should be delivered on 17th July (due to the 30 working days lead time) and will be operational within a few days of delivery. CSG is reinstating this capacity at its own cost, despite the Council making the decision to reduce them, in advance of decisions on some of the other planned mitigations, in order to manage these unexpected call volumes.

- CSG is undertaking the relevant work to enable the routing of an increased number of calls away from the old onto the new telephony platform. This is now possible for the Revenue and Benefit Service, following a number of changes in Coventry, but was not the case before 4th June. This will mean that fewer lines are used between Barnet and Coventry, increasing the capacity for other calls. A plan to undertake this work has been drafted and the change is due for completion by 31st July. The final completion date for this work will be agreed between the parties and closely monitored following implementation.
- CSG has smoothed the profile of the Council Tax Enforcement runs to spread the calls received in relation to these documents.

Future Options proposal

The points listed in above are short term solutions designed to deliver immediate relief of some of the issues but will not completely alleviate all the capacity issues. As a result Capita is putting together proposals for consideration and discussing with the Council to enable a more sustainable resolution. These include:

- Looking at ways to further re-engineer the business processes that lead to the increased calls, such as the timing and phasing of large mail shots,
- Agreeing a protocol with the Council to manage Council Delivery Unit campaigns, such as recycling promotions, so they do not adversely impact the Contact Centre at peak times. This is one of the key lessons learnt cited in the Waste Project closure report.
- Agreeing protocols with the Council for the use of voicemail and the forwarding of Delivery Unit extension numbers so that they do not flow back into the Contact Centre unnecessarily causing further demand on the capacity
- CSG is currently looking into the “unbundling” the 0208 DDI numbers to deliver ‘out of area’, i.e. when a Barnet citizen calls an 0208 number, the call will automatically ring at Coventry and will be picked up in Coventry. This would be done at no additional cost to the end customer in line with the Councils commitment to members when awarding the CSG contract, but would further reduce the calls coming into the Council over the 180 fixed lines
- Capita is currently putting together a proposal to the Council on using non-geographic numbers (i.e. 0300 numbers) to take calls away from Barnet entirely. It is accepted that this could require consultation with the public in line with the Council’s commitment about such changes but may be worth considering when

balanced against the capacity, resilience and service quality improvements that we would expect as a result.

- 1.36 Capita anticipates that a proposal covering all above options will be completed and presented to the Council for consideration by the end of July.

Switchboard

- 1.37 Capita is currently using a number of data bases to collate an accurate and up to date staff database. The new council HR system will ultimately hold the master data set of staff contact details but there is some work to do to make sure the records are up to date, and this is now a priority for Capita. Once the current work is complete the master data set will be maintained and updated through a new “Leavers, starters and movers process” that will be owned by HR. In the meantime:

- All calls are being monitored for quality purposes and in the event of mis-directed calls or complaints any training and quality issues are identified and addressed with the member of staff
- Two additional sources of staff contact data have been made available in the contact centre and will be searched alongside the original directory
- Staff have been given the phonetic alphabet to spell names, and a tracking device now logs every single search to learn from when people can't be found
- In the event that none of the above yield the correct contact number, the staff will place to call to someone else in the team in which the person sits
- Switchboard staff will amend their directory as and when they find a name is missing

Conclusion

- 1.38 There were a number of issues occurred during May, some of which could have been predicted and controlled, such as the profile of Council Tax enforcement notices. But there are also other issues that could not have been anticipated when the new telephony design and sizing was completed during 2013. Specifically the impacts of the reduced Phone lines, the impact of the Council Tax Support scheme on call volumes, the impact of widening the RE contact centre and the removal of previous practices that would have avoided calls being connected previously but would not have shown on the available management information.
- 1.39 CSG is taking the appropriate actions to avoid these issues reoccurring and since these measures have been put in place there have not been complaints about callers not getting through. While customer satisfaction dropped to 65% in May 14 as a result of the issues the June satisfaction levels have increased to 68% as these measures have taken effect.

- 1.40 CSG apologises for the inconvenience caused to customer and members during these challenging months but hopes that the committee accepts that it is taking appropriate action and has acted promptly to address the issues since the last committee.

2. REASONS FOR RECOMMENDATIONS

- 2.1 To allow scrutiny of the information requested and to allow some discussion and feedback from the committee on the position reported.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None.

4. POST DECISION IMPLEMENTATION

- 4.1 This will be dependent on the feedback received from the committee.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 This report presents the performance of CSG at meeting the measures of success for the Corporate Priorities. This report also includes performance indicators of the delivery of services by the joint Public Health Service.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 This report provides an update to the Performance and Contract Management Committee on the performance of the Council's telephony services and the steps taken to date and proposed to resolve the service issues highlighted.

- 5.2.2 The CSG provider is in the process of installing 60 new lines at their cost.

- 5.2.3 The additional costs that will be incurred by the Council in respect of the points highlighted in the body of the report relates to additional call volumes, these will be considered as part of the volume adjustments set out in the main contract.

5.3 Legal and Constitutional References

- 5.3.1 Under the Council's Constitution (Annex A, Responsibility for Functions) , the Performance and Contract Management Committee has the following responsibilities:

- (1) Overall responsibility for quarterly budget monitoring, including monitoring trading position and financial strategy of Council Delivery Units.
- (2) Monitoring of Performance against targets by Delivery Units and Support Groups including Customer Support Group; Re; the Barnet Group Ltd

(including Barnet Homes and Your Choice Barnet); HB Public Law; NSL; Adults and Communities; Family Services; Education and Skills; Street Scene; Public Health; Commissioning Group; and Assurance.

- (3) Receive and scrutinise contract variations and change requests in respect of external delivery units.
- (4) To make recommendations to Policy and Resources and Theme Committees on relevant policy and commissioning implications arising from the scrutiny of performance of Delivery Units and External Providers.
- (5) Specific responsibility for the following functions within the Council:
 - Risk Management
 - Treasury Management
 - Performance

If any report comes within the remit of more than one committee, to avoid the report being discussed at several committees, the report will be presented and determined at the most appropriate committee. If this is not clear, then the report will be discussed and determined by the Policy and Resources Committee.

5.4 Risk Management

- 5.4.1 Risks with a rating of 12 or above are reported as part of the Council's quarterly performance monitoring process.
- 5.4.2 The Council maintains its own separate risk logs for all major contracts, which are informed by the risks reported by each partner. The Council's risk log for each contract are published in the council's quarterly performance reports and reported internally and externally as part of the routine performance cycle.
- 5.4.3 Each partner reports their risks at least monthly to the Council for review by the commercial team and respective contract boards.
- 5.4.4 The risks for the CSG are included in the quarter 4 report presented to the last meeting of this committee..
- 5.4.5 Many of the risks reported at Q4 will continue to be live, whilst some will have been closed or replaced.

5.5 Equalities and Diversity

- 5.5.1 Each contract places obligations on our partners to support the Council in carrying out its public sector equality duty (as set out in the Equality Act 2010). This means having due regard to the need to:
 - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - b) advance equality of opportunity between those who share a relevant protected characteristic and those who do not;
 - c) foster good relations between those who share a relevant protected characteristic and those who do not.

5.5.2 The 'protected characteristics' referred to are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation. The duty also covers marriage and civil partnership, but to a limited extent.

5.5.3 Effective contract management is vital to ensuring that the Council's duties under the Equality Act 2010 are supported by its partners.

5.5.4 Equality performance is monitored by collecting data on service usage, customer feedback and specific performance indicators. Where service changes affecting residents or service users are proposed, equality impact assessments will be undertaken, and where needed, these will include consultation with residents or service users.

5.6 Consultation and Engagement

5.6.1 During the process of formulating budget and Corporate Plan proposals for 2013/14 onwards, three phases of consultation took place:

- Phase One (October 2012 – November 2012): Residents' Perception telephone survey
- Phase two (November 2012 – January 2013): Corporate Plan consultation
- Phase three (October 2012 – January 2013): Finance and business planning (including proposed budget) consultation

5.6.2 The results and impact on the Corporate Plan and budget are outlined in the Cabinet Report to Committee on the 5 March 2013 (Item 8). <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=6629&Ver=4>

6. BACKGROUND PAPERS

6.1 None.