

Project Documentation

PROJECT INITIATION DOCUMENT (PID)

Revenues, Benefits and Customer Services

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Author:	Andy Buckley, Project Manager
Approved by:	John Ward, Head of Finance & Governance Jane Dodsworth, Head of Business Improvement

Note: the completion of this document is required for medium and large projects as defined by the Project Type Matrix. The final version should be saved in a sub folder on the x drive under project management / project documentation.

Document History

Revision Date	Version	Summary of Changes	Reviewer(s)
06/02/17	1.1	Review of draft PID prior to Business Improvement Programme Board	Jane Dodsworth / John Ward
14/02/17	1.2	Cabinet approval brought forward to March 2017	BIPB

Consideration by the Corporate Improvement Team

Date	Reviewing Officer	Comments for Consideration
03/02/17	Joe Mildred	Minor amendments now incorporated into PID

Approvals

This document requires the following approvals:

Name of person, group or committee
Business Improvement Programme Board
Cabinet
Council

Distribution

A final copy of the approved document will be distributed to:

Name	Job Title
John Ward	Head of Finance and Governance
Jane Dodsworth	Head of Business Improvement
Diane Kirkham	Revenues & Benefits Manager
Fiona Delahunty	Customer Services Manager
Luke Johnson	Applications Support Analyst

Glossary of Terms

PID – Project Initiation Document

CSC – Customer Service Centre

R&B – Revenues and Benefits Service

Back Office – the office where the administrative and technical work is carried out, as opposed to dealing with customers face to face

Channel Shift – moving customer contacts and transactions from more expensive options (telephone, face-to-face contact or letters) to less expensive options (online self-service, self-service through automatic voice recognition systems and self-service using mobile phone SMS messaging).

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1. PURPOSE OF DOCUMENT

This Project Initiation Document (PID) defines the Revenues, Benefits (R&B) and Customer Services (CSC) project. It sets out the aims of the project, why the project should go ahead, who is involved and their responsibilities. This PID will provide the baseline for the project's management and for an assessment of its overall success.

2. PROJECT DESCRIPTION

The project is broken down into the following key work-streams:

- The implementation of new R&B software that enables a significant increase in self-serve functionality for the customer.
- The transfer of R&B face to face enquiries and telephone calls from the R&B back office into the CSC.
- A review of R&B back office processes to identify improvements, generate efficiency savings and maximise performance.
- The identification of future year reductions in customer service staffing levels through proactively managing how customers interact with the Council.

3. BACKGROUND

Chichester District Council explored, with Arun District Council, during 2016 the viability of shared revenue, benefits and customer services provision across both authorities. The decision was made by Cabinet on 10th January 2017 not to pursue this shared service, but instead to proceed with an in-house review of the current operating model. The Council's Deficit Reduction Plan includes a target of £408,000 to be achieved in-house from those services previously looked at under shared services.

The shared business case proposed a new operating model, whereby new customer self-serve modules be procured to enable reductions in customer contact, and that the customer contact element of revenues and benefits be transferred into customer services. This approach is consistent with other major customer-facing services and is the preferred model to be implemented in-house. This supports the Corporate Plan priorities to support our communities and the prudent management of the Council's finances.

Not proceeding with this project would mean the revenues and benefits service is not designed to meet current and future customer requirements to self-serve, and that the resulting opportunity to modernise processes and generate budget savings will be missed.

4. PROJECT OBJECTIVES AND SUCCESS CRITERIA

4.1. Outputs

The expected outputs of this project are as follows;

- New Northgate self-serve software modules.
- Transfer of customer support role from revenues and benefits to customer services.

- Revenues and benefits process redesign.

4.2. Outcomes

The Customer / Community:

- Through the enablement of e-solutions customers will be able to update their own accounts/claims directly in the back office database. These processes will ensure the turnaround of work is increased, resulting in bills and benefit claims being processed in a timely manner and with a higher degree of accuracy.

People (CDC staff):

- Transfer of customer-facing staff from R&B to the CSC.
- Reduction in overall staffing levels across both services.
- Redesign of R&B back office structure and service delivery.

Service Performance:

- Maximise business rates collection performance.
- Maximise council tax collection performance.
- Maximise benefits processing performance.

Financial:

- Cashable efficiency savings to support the Council's deficit reduction plan.
- One-off setup costs to procure new software and pay for possible staff redundancies.

Environment:

- None.

4.3. Outcome Measures

Service Performance:

The table below proposes targets for the R&B service, and compares those to the 2015-16 national, local, and shire averages, as well as the current Chichester baseline. It should be noted that the 2015-16 baseline has been significantly improved upon following a service restructure in June 2016 that repurposed resources towards the handling of new benefits claims.

The target measures in the table below are proposed for 2018/19 onwards to allow time for project implementation.

Measure	Measure Criteria	Averages 2015-16				Target Measure
		National Average	Shire District Average	West Sussex District Average	CDC	
Council Tax Collection Rate	Percentage collected	97.2%	98.0%	98.2%	98.2%	98.2%
NDR Collection Rate	Percentage collected	98.2%	98.5%	97.9%	98.2%	98.2%
Benefits Processing – New Claims	Average days taken	22 days	18 days	18 days	26 days	15 days
Benefits Processing – Change Events	Average days taken	9 days	8 days	6 days	7 days	7 days

The table below proposes targets for customer services. Unlike R&B there is no national set of performance indicators for customer services. This creates the opportunity for Chichester to develop new indicators in line with what is important for its customers. These targets are proposed from 2018/19 onwards to allow time for project implementation.

	Target Measure
We will aim to see our customers within 10 minutes of arrival	80%
Minimise the number of abandoned calls	5%
Respond to CSC emails within two working days	100%

Financial:

The projected annual budget savings are as follows;

Financial Year	Annual Change to Revenue Budget	Cumulative Change to Revenue Budget (against 2017/18 base)
2017/18 (year 1)	£42,528	£42,528
2018/19 (year 2)	-£219,368	-£176,840
2019/20 (year 3)	-£24,240	-£201,080
2020/21 (year 4)	-£22,528	-£223,608
Total	-£223,608	

In addition annual savings of £65,631 have already been identified through a restructure of the R&B service. These savings have been removed from the 2017/18 base budget.

4.4. Dis-benefits

Financial:

- One-off setup costs of £326,543 to procure new IT software, fund potential staff redundancies and provide temporary support during project implementation.

4.5. Out of Scope

The shared service business case recommended that face to face benefits enquiries be retained in the back office rather than transfer to the CSC; the complexity of the enquiries and the specialist skills required suggested it would create inefficiencies and double-handling should they transfer.

However, should the process-mapping demonstrate that some of this work can appropriately sit within the CSC then that will also transfer as part of this project.

5. PROJECT CONSTRAINTS

This project is bound by the following restrictions or limitations:

- Procurement rules when renegotiating software contracts.
- Availability of budget to procure new software modules that enhance self-serve capability.
- Employment law when considering staff redundancies.
- Timing of any transfer dates need to be considered alongside the annual billing timetable and the further rollout of Universal Credit in the district from April 2018.

6. PROJECT ASSUMPTIONS

In developing this PID the following assumptions have been made:

- Sufficient internal resources will be made available to undertake the project.
- Sufficient budget is made available to procure new software modules, backfill key staff to support the project, and to fund any potential staff redundancy costs.

7. PROJECT COSTS

7.1. Project Delivery Costs

The estimated cost to deliver this project is £326,543 and includes a 10% contingency allowance. This cost is broken down into two major categories; IT and Staffing.

IT – investing in new technology to enhance customer self-serve; this directly feeds through into cashable efficiency savings through reduced customer contact. Investing in the development of the third party printing software to improve processes and achieve back office and channel shift savings (see Appendix 1 for details of targeted channel shift reductions).

Staffing – redundancy costs will be kept to a minimum through the use of vacant posts and temporary contracts, but provision has been made within the delivery costs to allow for potential staff redundancies based on an average cost for current employees. In addition some temporary support will be required to back-fill two R&B staff for 6 months.

The payback period on this combined delivery cost is expected to be within 3 years.

One-off Delivery Costs

	Estimated Cost
R&B IT	
- Northgate software and additional licences	£43,150
- Northgate service days	£10,000
- Upgrading print software	£20,000
	£73,150
CSC IT	
- Additional R&B licences	£6,850
- Contact+ MacFarlane phone software	£22,150
- IT Equipment – screens and scanner	£7,038
- Additional telecommunications capacity	£7,000
	£43,038
Staff costs	
- Staff redundancies (based on average staff redundancy cost)	£144,081
- 6 month secondment to project for 2 R&B staff	£32,588
	£176,669
Other	
- Training	£4,000
- 10 % contingency	£29,686
	£33,686
Total estimated one-off delivery cost	£326,543

7.2. On-going Costs Following Project Completion

The table below summarises all of the ongoing costs and savings resulting from this project. The majority of these will be realised in 2018/19, with further channel shift savings achieved in 2019/20 and 2020/21. These adjustments combine for a budget reduction of £223,608 by the financial year 2020/21 when compared to the base budget for 2017/18.

The proposed staff savings are based upon the savings identified through the shared service process; applying best practice and building in channel shift targets to future staffing structures. How the final structures look will be dependent upon how the back office processes are redesigned, but a prerequisite of each of the proposed structures will be that as a minimum they achieve the targeted level of savings included below.

Impact on Council's Revenue Budget (compared against 2017/18 base budget)

2017/18	2018/19	2019/20	2020/21
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On-going costs				
- Additional Northgate support, maintenance and licences	£27,500	£27,500	£27,500	£27,500
- Existing support contracts not included in base budget	£11,620	£11,620	£11,620	£11,620
- Print software maintenance	£2,000	£2,000	£2,000	£2,000
- Asset Replacement	£1,408	£1,408	£1,408	£1,408
	£42,528	£42,528	£42,528	£42,528
On-going savings				
- Customer services channel shift staffing savings	£0	£-71,010	£-95,250	£-117,778
- Revenues and Benefits back office staff restructure	£0	£-148,358	£-148,358	£-148,358
	£0	£-219,368	£-243,608	£-266,136
Total on-going costs / savings	£42,528	£-176,840	£-201,080	£-223,608

The savings above are in addition to the £65,631 annual saving removed from the 2017/18 budget following a restructuring of the R&B service. If these were also taken into account the total annual saving is £289,239 when compared to the 2016/17 base budget.

8. OPTIONS SUMMARY

Option 1 – Do nothing

Continue to operate the current software with no investment in new modules. Retain back office processes as they currently operate and keep R&B customer contact in the R&B back office.

Pros:

- No new capital investment required.
- No redundancy costs.
- No disruption to service delivery.
- Staff stability and skills retention.

Cons:

- Does not generate any cashable efficiency savings.
- Does not maximise service performance.
- Limits the online availability of R&B services to its current level.
- Previous capital investment in customer services infrastructure not fully utilised.
- Does not provide for future known changes to service delivery e.g. further rollout of Universal Credit from April 2018.
- Lack of opportunity to develop service and customer delivery.

Option 2 – Review processes, structures and drive channel shift

Review back office processes and staffing structures to identify areas for improvement and proactively manage channel shift reductions.

Pros:

- Minimises upfront investment costs.
- Limited disruption to service delivery.
- Generates cashable efficiency savings.
- Staff stability and skills retention.

Cons:

- Does not maximise cashable efficiency savings.
- Limits the online availability of R&B services to its current level.
- Increased setup costs for temporary staffing and possible redundancy costs.
- Limited opportunities to develop service for the future.

Option 3 – Upgrade software and transfer to CSC (this is the preferred option)

As in Option 2 but with additional investment in new Northgate software modules and the transfer of customer contact from the R&B back office into Customer Services.

Pros:

- Maximises efficiency savings by procuring new software that enables additional customer self-serve options.
- Significantly increases the online accessibility of R&B services.
- Performance management software to provide better management information that highlights inefficiencies and targets areas for improvement.
- Corporate standard to deliver all customer contact through customer services.

Cons:

- Requires significant internal resources during implementation.
- Service performance and productivity may be negatively impacted upon during project delivery.
- Increased setup costs to procure software modules, temporary staffing, and to pay for possible staff redundancies.

The table below shows a financial summary of the three options.

	Option 1	Option 2	Option 3
Revenue Impact	£11,620	-£189,342	-£223,608
Delivery Costs	£0	£211,149	£326,543

It should be noted that in addition to the three options above there is a further option to implement the software in a commercially hosted environment by a third party, with technical issues and upgrades handled entirely by the software vendor. In this scenario the Council would neither purchase nor maintain either the server hardware or software required to host the system.

The quoted cost for this service is £125,000 with corresponding savings of approximately £40,000, giving a net cost of £85,000 per annum. This option does not help achieve the objectives for this project, but should be considered as part of a wider corporate strategy to be analysed within the ICT review.

9. PROJECT APPROACH

It is recommended to proceed with Option 3; transferring the customer contact element of R&B into the CSC and investing in new self-serve technology, thereby modernising service delivery and maximising efficiency savings. The project will be broken down into three distinct areas;

- The transfer of customer contact for R&B into the CSC.
- The redesign of processes and policies within the R&B back office to deliver an improved service at a reduced cost.
- Improved access to online services to achieve reductions in customer contact across more expensive channels.

The project will be managed and primarily delivered in-house. Internal resource will be allocated from the Corporate Improvement Team and from within R&B, the CSC and IT, with some backfilling required of two R&B staff that will be temporarily seconded to the project.

External support will be required to upgrade the Revenues and Benefits (Northgate) and Customer Services (MacFarlane) IT systems. These upgrades will be crucial in delivering a service that meets the changing demands of how councils must interact with their customers, whilst also generating revenue savings to support the deficit reduction programme.

10. COMMUNICATION / CONSULTATION

The Project Team will look after the day to day management of the project. Progress will be updated monthly by the Project Manager and reported by exception to the Corporate Management Team. Additionally, the Business Improvement Programme Board, attended by the Chief Executive and the Portfolio Holder for Support Services, will receive updates on an exception basis at each of its meetings.

Regular staff briefings for Revenues, Benefits and Customer Services teams will be provided to keep them informed on project progress and a formal staff consultation document will be provided subject to Cabinet and Council approval in March 2017.

Unison have been and will continue to be engaged throughout the process as part of the periodic meetings with management and the Joint Employee Consultative Panel (JECP) will receive updates to each of their meetings.

11. PROJECT PLAN

Task No.	Task / milestone	Completion Date	Responsible Owner	Dependency
1	PID to Business Improvement Programme Board	14-Feb-17	Andy Buckley	
2	PID and funding request to Cabinet	7-Mar-17	Andy Buckley	1
3	PID and funding request to Council	7-Mar-17	Andy Buckley	2
4	Finalise Revenues and Benefits software support contract	31-Mar-17	Diane Kirkham	3
5	Citizens Access go-live	1-May-17	Diane Kirkham	
6	Install new telephony lines and upgrade server and software	30-Jun-17	IT Ops	3
7	Map existing R&B Processes	30-Jun-17	Project Team	3
8	Map proposed R&B processes once in Customer Services environment	31-Jul-17	Project Team	7
9	Install virtual server and upgrade MacFarlane	31-Jul-17	IT Ops	3
10	Rollout Macfarlane Customer Service telephone solution to R&B (to include IVR)	31-Jul-17	Fiona Delahunty	3, 9
11	Staff consultation (as appropriate)	Tbc	Project Team	
12	Revenues staff transfer to Customer Services	30-Sep-17	Project Team	8
13	Revenues enquiries transfer to Customer Services	31-Oct-17	Project Team	12
14	Benefits staff transfer to Customer Services	28-Feb-18	Project Team	8
15	Benefits enquiries transfer to Customer Services	31-Mar-18	Project Team	14
16	New Northgate modules implemented	31-Mar-18	Diane Kirkham	3
17	Customer services staff reduction (phase 1)	31-Mar-18	Fiona Delahunty	5, 13, 15, 16
18	Revenues and Benefits back office staff reduction	31-Mar-18	Diane Kirkham	5, 16
19	Customer services staff reduction (phase 2)	31-Mar-19	Fiona Delahunty	
20	Customer services staff reduction (phase 3)	31-Mar-20	Fiona Delahunty	
21	Post Project Evaluation to Cabinet	31-Dec-20	Andy Buckley	

12. PROJECT TEAM

Senior Responsible Owner (SRO)

Jane Dodsworth – Head of Business Improvement

John Ward – Head of Finance and Governance

Responsibility:

- A joint role that is responsible for the overall delivery of the project.
- The SRO will attend monthly briefings with the Project Manager.
- Refer issues by exception to the Corporate Management Team and Business Improvement Programme Board.
- Report to the relevant Cabinet Member, Cabinet, Overview and Scrutiny Committee, Corporate Governance and Audit Committee as required.
- Ensure the relevant Cabinet Member is engaged in the development and agreement of the PID and PPE.

Project Team

Diane Kirkham – Revenues and Benefits Manager

Fiona Delahunty – Customer Services Manager

Andy Buckley – Project Manager

Luke Johnson – Applications Support Analyst

Responsibility:

- Produce project documentation including the PID and PPE.
- Meet at the required frequency to effectively manage the project.
- Manage the project delivery including the project budget and outcomes.
- Ensure effective completion of the project as specified in the PID.
- Keep the SRO regularly informed of progress and of any significant deviation from the project plan (realised and anticipated).
- Carry out tasks in accordance with the PID.

Additional Project Support

Chris Christie – Revenues and Performance Manager

Paul Jobson – Lead Revenues Officer

Marlene Rogers – Lead Benefits Officer

Victoria Stapleton – Lead Customer Services Officer

Craig Duffy – Senior Benefits Officer

Janet Hooker – Senior Revenues Officer

HR / Legal / Procurement / Systems

Responsibility:

- Attend meetings, provide advice, and complete tasks as requested by the Project Team.

13. RISK LOG

The following risks have been identified together with an assessment of their severity and actions that can be taken to mitigate/reduce the risk.

Risk No	Risk Description	Likelihood Unlikely Possible Probable Certain	Impact Minor Significant Serious Major	Planned Actions to Reduce Risk	Responsible Officer
1	Sufficient resource (people / money) not made available to undertake project	Possible	Major	Monitor costs and resources and escalate issues as they arise	Andy Buckley
2	Software does not deliver reductions in Revenues and Benefits customer contact	Possible	Serious	Monitor customer interactions. Proactively push channel shift.	Fiona Delahunty
3	Expected changes in customer behaviour to more online contact does not materialise	Possible	Serious	As above	Fiona Delahunty
4	Revenues and benefits process redesign does not identify expected level of efficiencies	Unlikely	Serious	Include service management to widen savings opportunities	Diane Kirkham
5	Staff unwilling to transfer into Customer Services	Probable	Significant	Staff consultation to explain impact on both services	Project Team
6	Project delivery adversely impacts on performance	Probable	Serious	Use temporary external R&B support	Diane Kirkham
7	Ongoing structure changes do not deliver performance targets	Possible	Major	Monitor performance and manage resources	Diane Kirkham
8	Redundancy estimates prove insufficient to cover costs	Possible	Serious	Include 10% contingency in setup costs	Andy Buckley
9	Negative impact on staff morale	Probable	Significant	Regular staff engagement	Project Team
10	Full benefit of IT costs not realised if future procurement selects alternative provider	Possible	Serious	Ensure payback on investment is achieved in life of current contract	Andy Buckley

Appendices

Appendix A – Customer Interaction Volumes and Targeted Reductions

Appendix A

Channel Shift Targets

The table below shows the targeted reductions in customer interactions that support the proposed reductions in Customer Services staffing

	Number of Interactions					
	Existing Customer Services		Revenues & Benefits		Total	
	% Reduction	Revised Target	% Reduction	Revised Target	% Reduction	Revised Target
Base Position (2015-16 Outturn)		160,206		59,357		219,563
Year 1 (2017/18)	-5%	152,196	-20%	47,486	-9%	199,681
Year 2 (2018/19)	-5%	144,586	-10%	42,737	-6%	187,323
Year 3 (2019/20)	-5%	137,357	-10%	38,463	-6%	175,820
Year 4 (2020/21)	-5%	130,489	-10%	34,617	-6%	165,106
Combined Reduction Against Base	-19%	-29,717	-42%	-24,740	-25%	-54,457

Note: No reductions in staffing during year 1, combined effect of years 1 and 2 taken from 2018/19