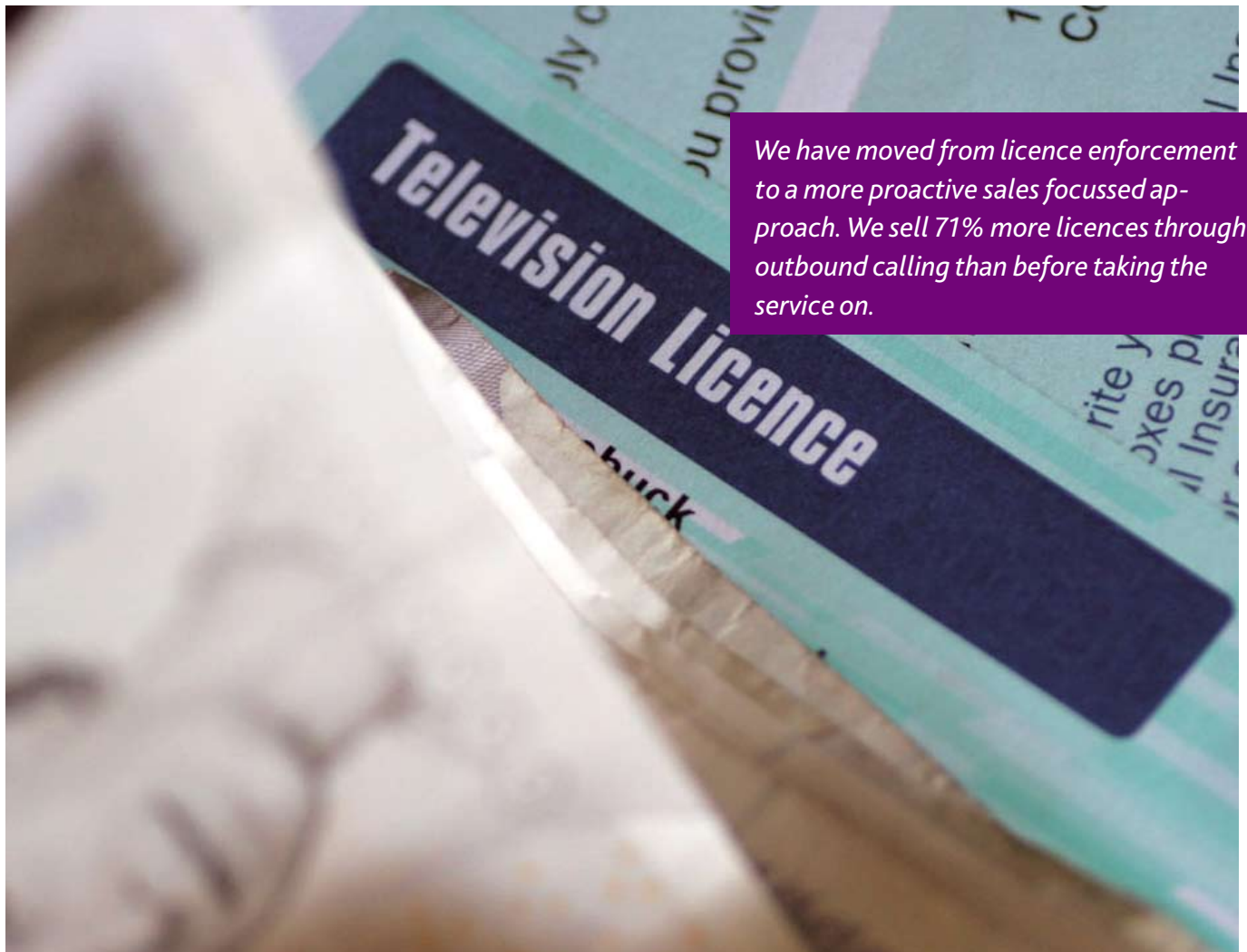


# CAPITA

## BBC – Television Licensing



*We have moved from licence enforcement to a more proactive sales focussed approach. We sell 71% more licences through outbound calling than before taking the service on.*

**Value** £500 million

**Start** July 2002

**Term** 10 years

**Services** Customer service, contact centre management and scheme enforcement

### Key Objectives:

- Increase client revenue by increasing efficiency of payment collection
- Reduce rate of evasion – provide an effective deterrent
- Increase licence sales and increase direct debit penetration

### Key Results:

- 6 national field collection sites consolidated to 2
- 150% more calls than at contract start
- Rate of evasion reduced from 5.7% (in March 2003) to 5.1%, 1000 evaders caught daily
- Raised the proportion of Direct Debit customers by 21% - generating an additional 330,000 TV licence sales in the last 2 years

# BBC – Television Licensing

## Background

Following a comprehensive re-tender process, in July 2002 the BBC chose to transfer the management of the TV Licence scheme from the Post Office (then Consignia) to Capita. The services delivered by Capita include processing of TV licence queries, applications and payments and the maintenance of an accurate licence database, as well as identifying people without a licence and enforcing the law.

Licence fee income provides more than 94% of the revenue used to fund the BBC's services. When Capita took over the contract, TV Licensing was collecting £2.7 billion a year from a customer base of more than 28 million addresses. Our challenge was to maintain licence fee revenues in line with demographic growth and collect further revenue by pursuing the 6.6% of viewers who were unlicensed.

## Service transfer

In the five-month period between appointment and contract start, we planned and executed all aspects of the transfer of staff and operations from the previous contractor. A dedicated transition team oversaw the transfer of 1,500 staff to Capita under TUPE arrangements. We carried out a comprehensive staff communications plan including a mix of roadshows/staff forums, one-to-one sessions and newsletters to engage the workforce in dialogue on all aspects of the change process. Employment arrangements varied greatly for a workforce that was spread across the UK and included more than 550 home-based staff.

The operations transferred to Capita were insufficient to deliver the service, so during the transition phase we designed, built and staffed a new customer contact centre in Darwen. Just 17 weeks after being awarded the contract, the new site was fully operational. At the same time we moved TV Licensing's head office to new premises in Bristol, transferring 600 staff. We migrated the service's existing business systems at the same time as maintaining and improving customer service levels throughout the move and rolling out a culture change programme for managers.

## Flexible service transformation

Early in 2003 we streamlined our field operations by centralising administration for England and Wales at a single site, reducing the number of regional offices from six to just three. In 2005, we rationalised further, retaining only one specialist field office for the Scottish legal system as well as our central field administration office in Darwen. The introduction of a Virtual Contact Centre environment allows work to be processed at any location, meaning that customer services are now available 24/7, as well as ensuring business continuity for the BBC. We have also implemented scanning and intelligent workflow technology, significantly reducing front to back office processing times. Records are now stored electronically and are more accessible. It also means that we now take 150% more calls than at contract start. absence is down to just 2.3%.

## Making services accessible

Both partners are mindful of the need to make services easily accessible to the public. With this in mind, Capita has launched a multi-lingual translation service and Welsh Language Line. State of the art voice recognition / self service technology allows customers to buy a licence/change details on a licence 24 hours a day, seven days a week, 365 days a year.



## Delivering continuous improvement

The contact centres became some of the first in the UK to be awarded Customer Contact Association (CCA) accreditation. Capita has also introduced both a text handling system and a workflow management solution, increasing call agent efficiency and supporting audit trails by offering total workload visibility and real time management statistics. This has also enabled the introduction of more flexible working patterns to meet fluctuations in call centre requirements. All calls are automatically monitored using specialist call recording and assessment software. Word recognition software enables us to search for contacts based on words used within calls, transcribes calls received and provides comprehensive call reporting. As well as highlighting future business trends, we also use this as part of our staff coaching process. With the BBC's agreement, we also process around 4.5m transactions per year from our offshore operations site in Mumbai.

Call quality monitoring through written assessment and verbal coaching, regular agent feedback and individual personal improvement plans are all key elements in our approach, and we have been recognised as The Training Team of the Year in the National Customer Service Awards 2006. We also conduct monthly customer satisfaction surveys and provide regular reports to the client and our operational management team.

We have moved from licence enforcement to a more proactive sales focussed approach. We sell 71% more licences through outbound calling than before taking the service on.

The past three years have seen the addition of a doorstep sales only function to the enforcement activity which has proved to be a success. This additional agreement specifically rewards successful sales of TV Licences and has created 110 new jobs.

## Conclusion

Working closely with our partners, we have now reduced the rate of evasion from 5.7% (in March 2003) to 5.1% and raised the proportion of Direct Debit customers by 21% - generating an additional 330,000 TV licence sales in the last 2 years.

The Capita Group Plc  
71 Victoria St  
London SW1H 0XA

Tel: 020 7654 2282  
Fax: 020 7222 6126

[www.capita.co.uk](http://www.capita.co.uk)