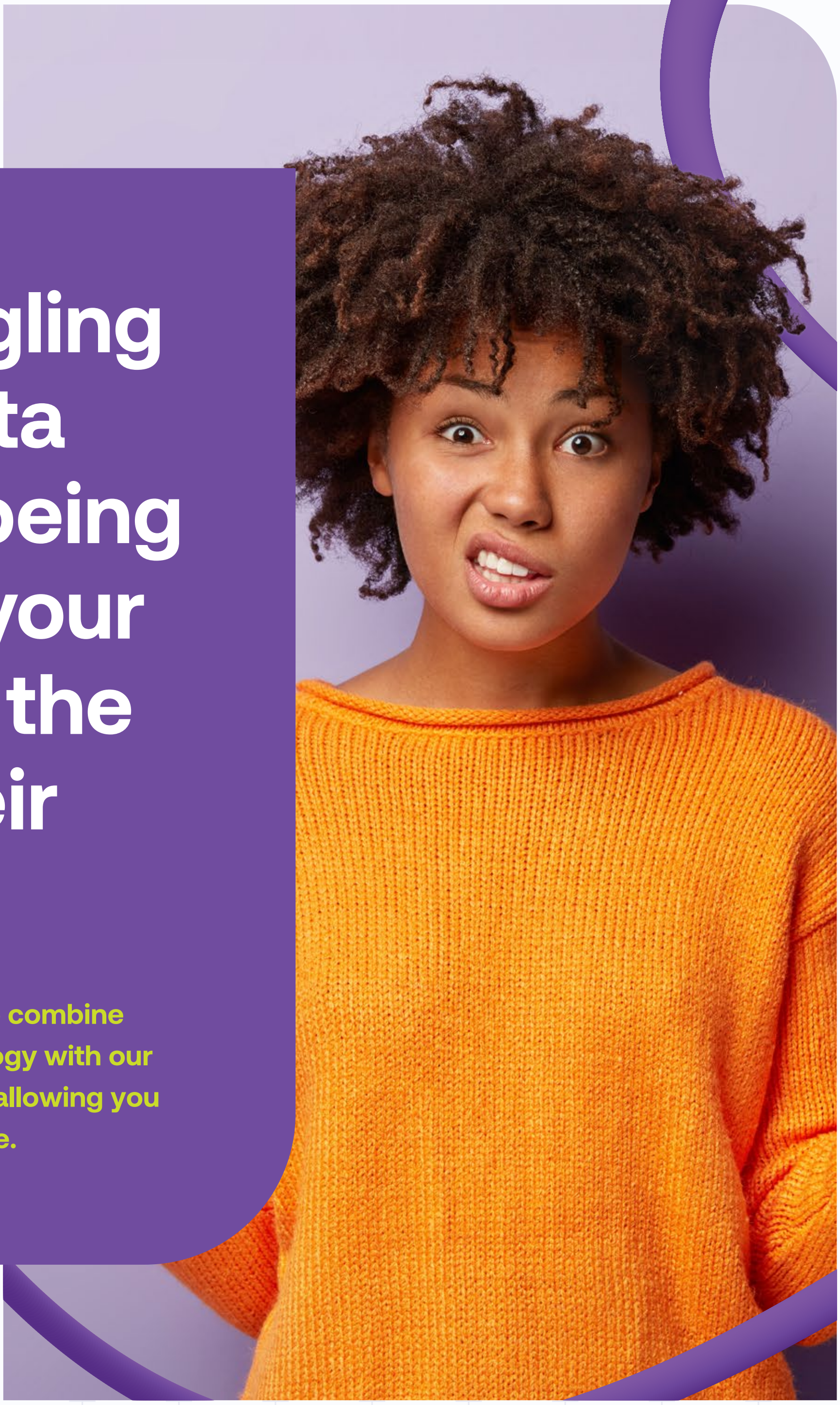
UK Contact Centre Verticals:
Public Sector

Sponsored by

kerv | GENESYS Gold Partner

Are you struggling with siloed data systems and being able to serve your customers on the channel of their choice?



Kerv Experience partners with Genesys to combine industry-leading contact centre technology with our own applications, services and support, allowing you to deliver the CX your customers deserve.

SKIPTON BUILDING SOCIETY Since 1853

ZSL LONDON ZOO

Cyngor Sir CEREDIGION County Council

arvato BERTELSMANN

PUREGYM

GOOD SHAPE

mi hub

Want to optimise your CX strategy and drive better customer and agent experiences?

Contact us today for a demo or free trial

For more information please contact

sales.experience@kerv.com 0330 403 0000

kerv

UK Contact Centre Vertical Markets: Public Sector

CONTENTS

LIST OF TABLES

At Kerv, we provide end-to-end digital transformation solutions.

Our specialist CX practice, Kerv Experience, are an established Genesys gold partner with 23 years' experience in the cloud contact centre and CX space. Kerv Experience's deep expertise of Genesys Cloud CX helps you completely personalise your digital customer experience, improve customer insights, reduce effort with seamless integrations and automation and to deliver amazing service when it matters most.

As the 2021 Genesys EMEA Customer Success Partner of the year and the current new logo partner of year, we help deliver exceptional CX to our customers through the deployment of cloud, digital, data and AI technologies. We help our customers execute on their CX strategy by deploying the correct technology and ensuring they get the most out of the solution over time. Our clients include PureGym, HelloFresh, Heineken, Somerset County Council and P&O Ferries.

Our sister practice, Kerv Digital, works hand in hand with Microsoft to deliver bespoke services for Teams, Dynamics 365, Power BI and Power Platforms which integrates with Genesys Cloud CX to create a seamless customer and employee experience. Cloud Contact Centre as a Services allows you to access constant technology innovation and Kerv are the partner to help you maximise the benefits of that investment and allow you to grow as a business through excellent CX.

Contact:

w: www.kerv.com

t: 0330 403 0000

e: jas.bansal@kerv.com - Jas Bansal, Head of Marketing

After the major move away from face-to-face and letter-based communications towards telephony, the public sector has been encouraged to move on beyond this towards multichannel citizen communication. In 2010, the coalition government announced its preference for government services to be delivered online and continuing cuts in both central and local government budgets has meant that lower cost support channels are even more of a necessity.

However, the reality is that the public sector has some of the lowest take-up of digital channels of any sector, and that telephony accounted for more than 80% of inbound interactions in 2018. However, 2020 onwards has seen a major increase in the use of telephony self-service, but this may possibly be due to a drop in live telephony performance in the sector.

There has also been a significant drive towards the outsourcing of public sector activities, along with moves to consolidate support operations in shared service centres. It might be expected that these had the effect of reducing the live telephony aspect of citizen support at both local and national levels, however, the demand for citizen support from the public sector has not diminished, and our doubts about the ability of the public sector to migrate citizens quickly from phone to online servicing have so far been proven.

Pent-up demand for phone service will continue to oppose the severe budget-cutting targets that exist at both central and local government levels which are likely to cancel each other out to a great extent, leading to longer wait times and a greater likelihood of outsourcing, as little budget is available for growing the contact centre figures.

Public services contact centres have been under threat from the centralised cost-cutting orders, combined with the government's order that e-contact should be the way forward. However, the poor levels of response at many public sector contact centres means that the demand for services is clearly not being met, and that further budget is unlikely to be forthcoming in the short-term at least. With 6m over-65s not online, and the poorest 25% of the population accessing 80% of services, the demand for live citizen support is not going to go away, and looks the most likely of any sector to be handled by phone.

The sector tends to pay good wages which usually helps with attrition and absence, although 2022 and 2023 figures are very high and are of concern.

The use of technology is lower than in most private sector contact centres, and average speed to answer has increased very significantly in recent years.

INTRODUCTION

"UK Contact Centre Verticals: Public Sector" looks at the structure, growth, technology, HR and commercial issues found in contact centres within the UK central and local government sectors. It does **not** include any data or analysis from offshore contact centre operations.

It contains data from multiple large-scale surveys of hundreds of UK contact centres, and is the definitive study of this vertical market's customer contact operations.

The "UK Contact Centre Verticals" series of reports are free of charge to readers. Research and analysis costs are borne by sponsors – contact centre and customer experience solution providers – whose advertisements, case studies and thought leadership pieces are included within these reports.

Sponsors have not had influence over editorial content or analyst opinion, and readers can be assured of objectivity throughout. Any vendor views are clearly marked as such within the report.

Please note that statistics within this report refer to the UK industry, unless stated otherwise. There is a version of this report available for download from www.contactbabel.com with equivalent US statistics.

To comply with the usual protocol of market analysis, years are reported as year-end (i.e. the 2023 figures refer to the end of 2023) unless stated otherwise.

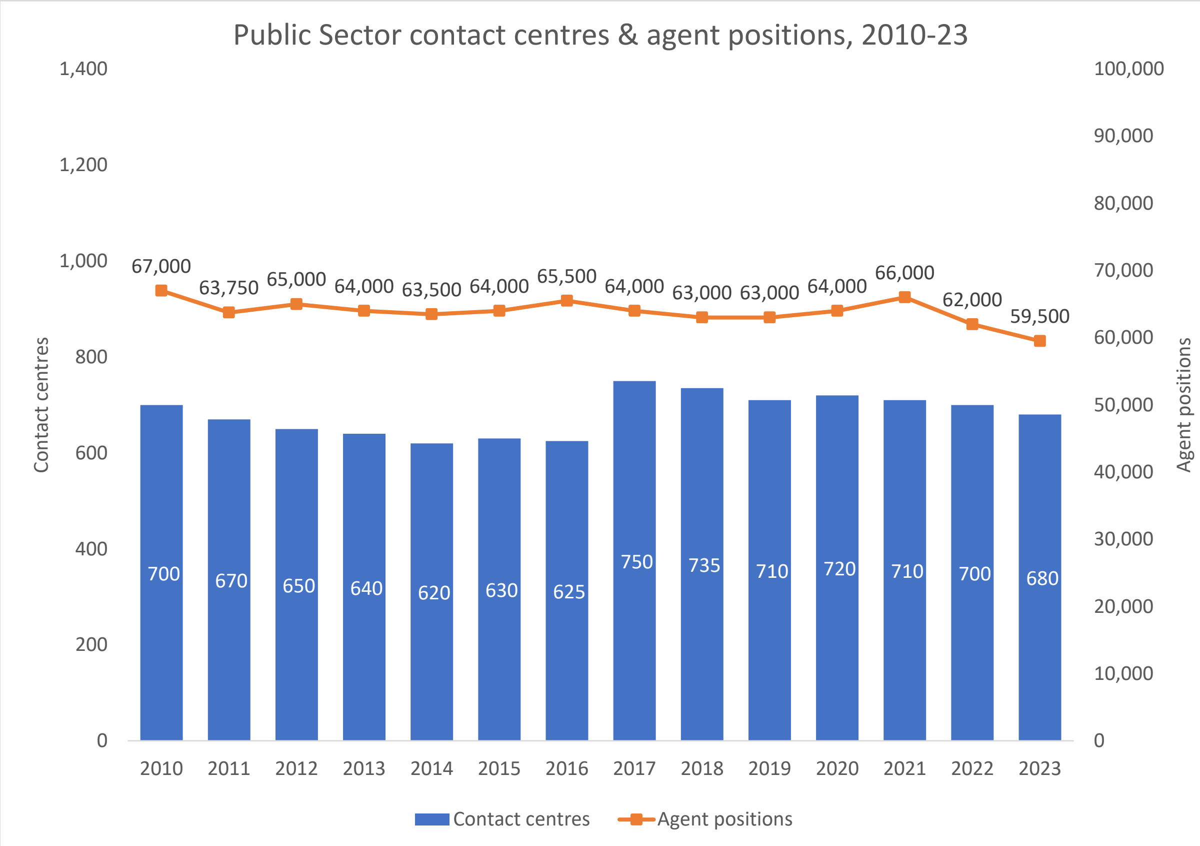
MARKET SIZING

STRUCTURE

The public sector has stayed very steady in terms of agent positions over the past ten years, although there has been something of a drop in jobs recently.

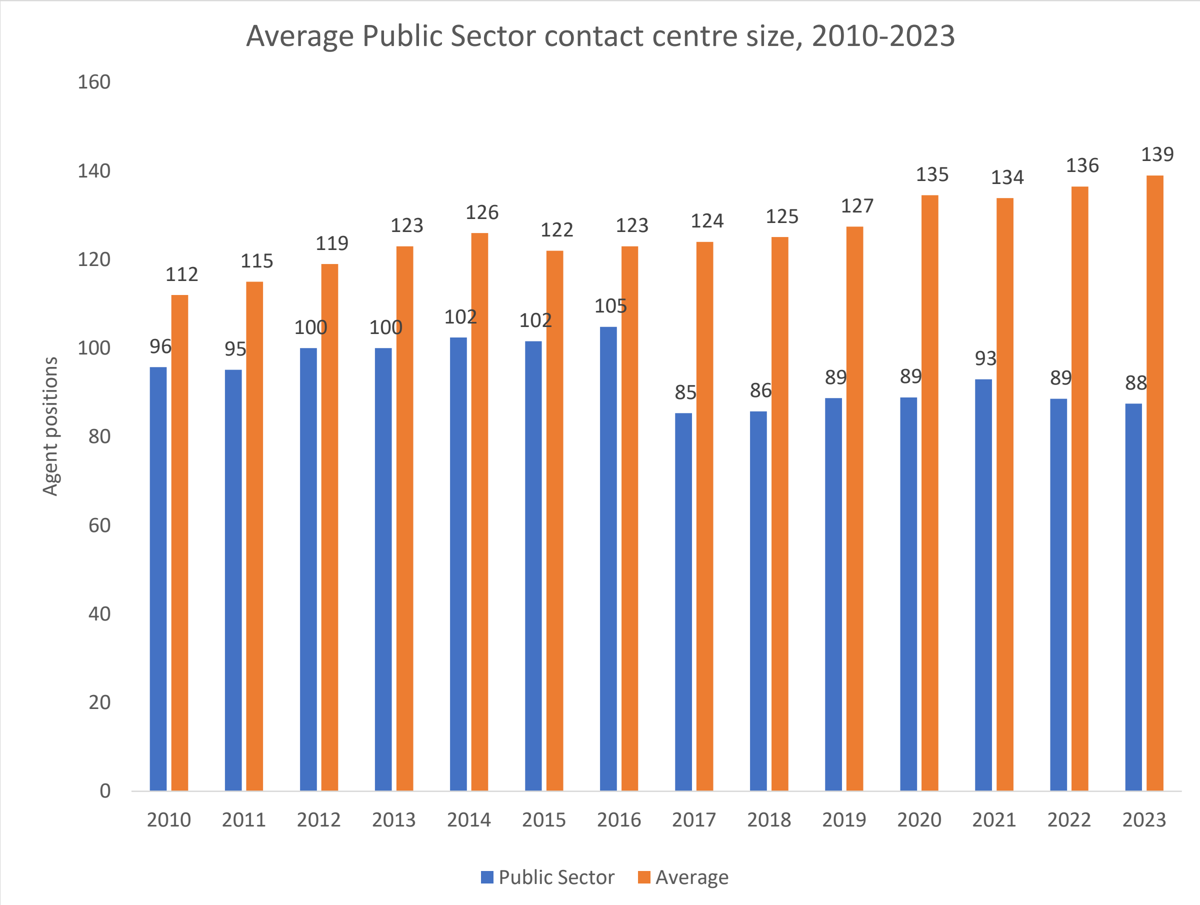
The number of physical contact centres has declined slowly due to consolidation, outsourcing, cost-cutting and the rise of at-home agents.

Figure 1: Public Sector contact centres and agent positions, 2010-2023



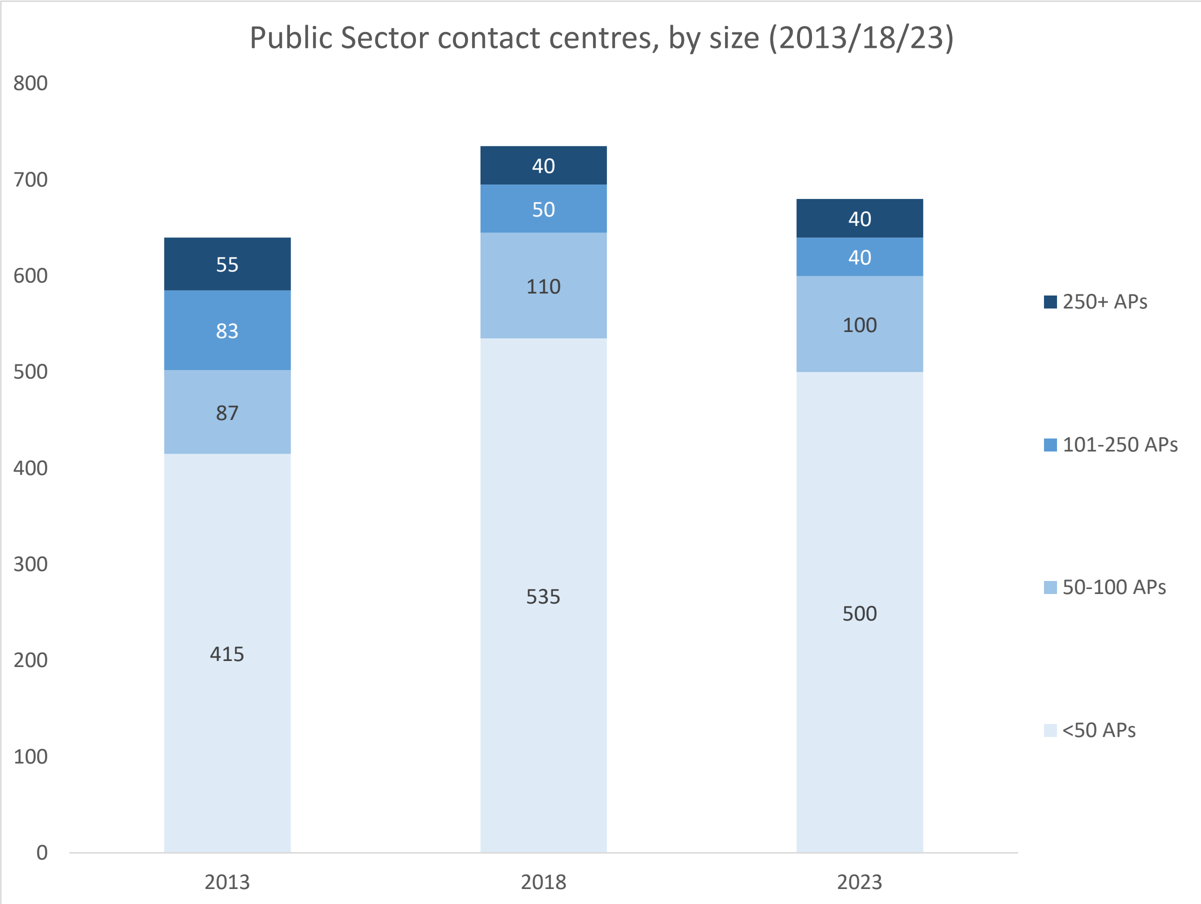
Public sector contact centres tend to be smaller than the UK average, and the average size has remained below the 100-seat mark.

Figure 2: Average Public Sector contact centre size, 2010-2023



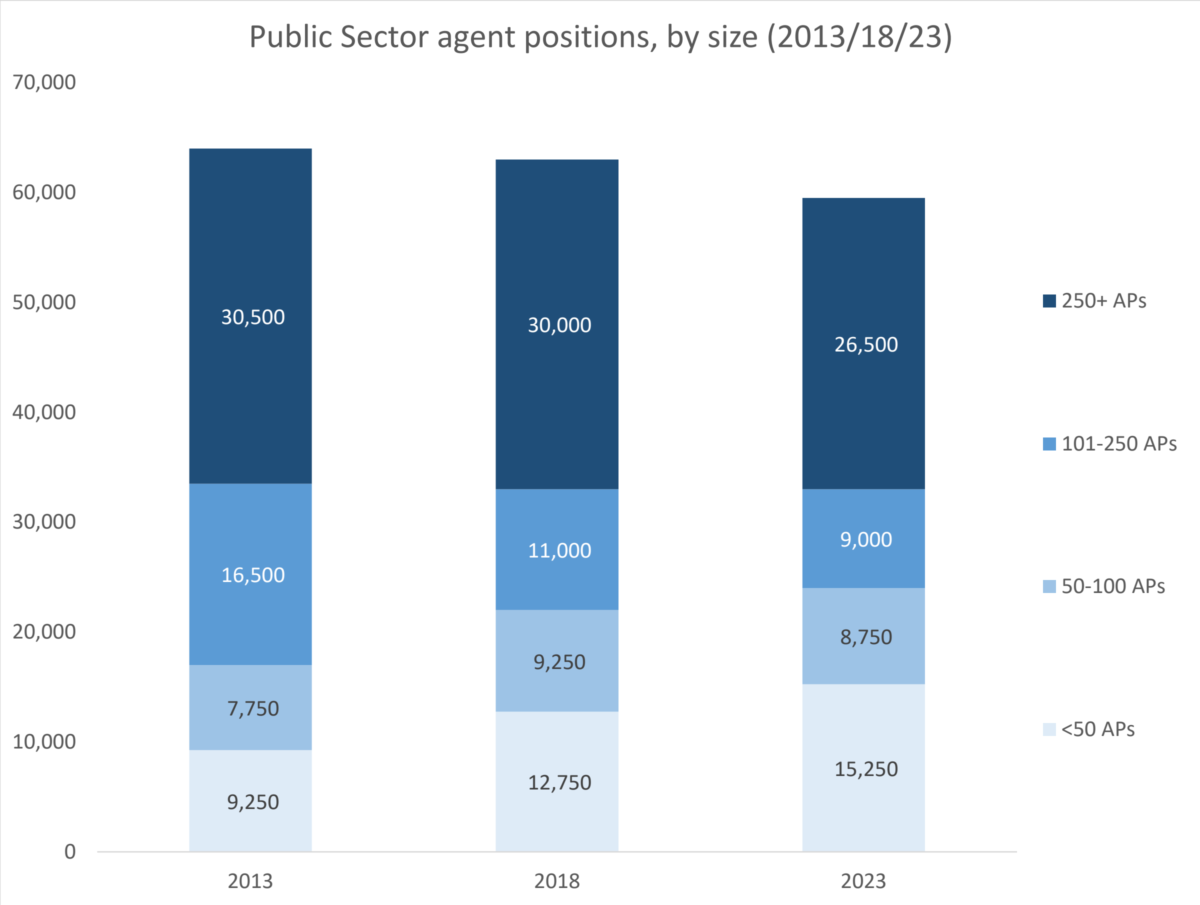
Like many in-house sectors, the public sector contact centre industry is less heavily weighted towards smaller operations. Some large central government departments' contact centres are now run by outsourcers, so do not appear in these figures.

Figure 3: Public Sector contact centres by size, 2013 / 18 / 23



Employment in UK public sector contact centres is less focused towards large operations, unlike many private sector vertical markets which are more heavily weighted towards large contact centres.

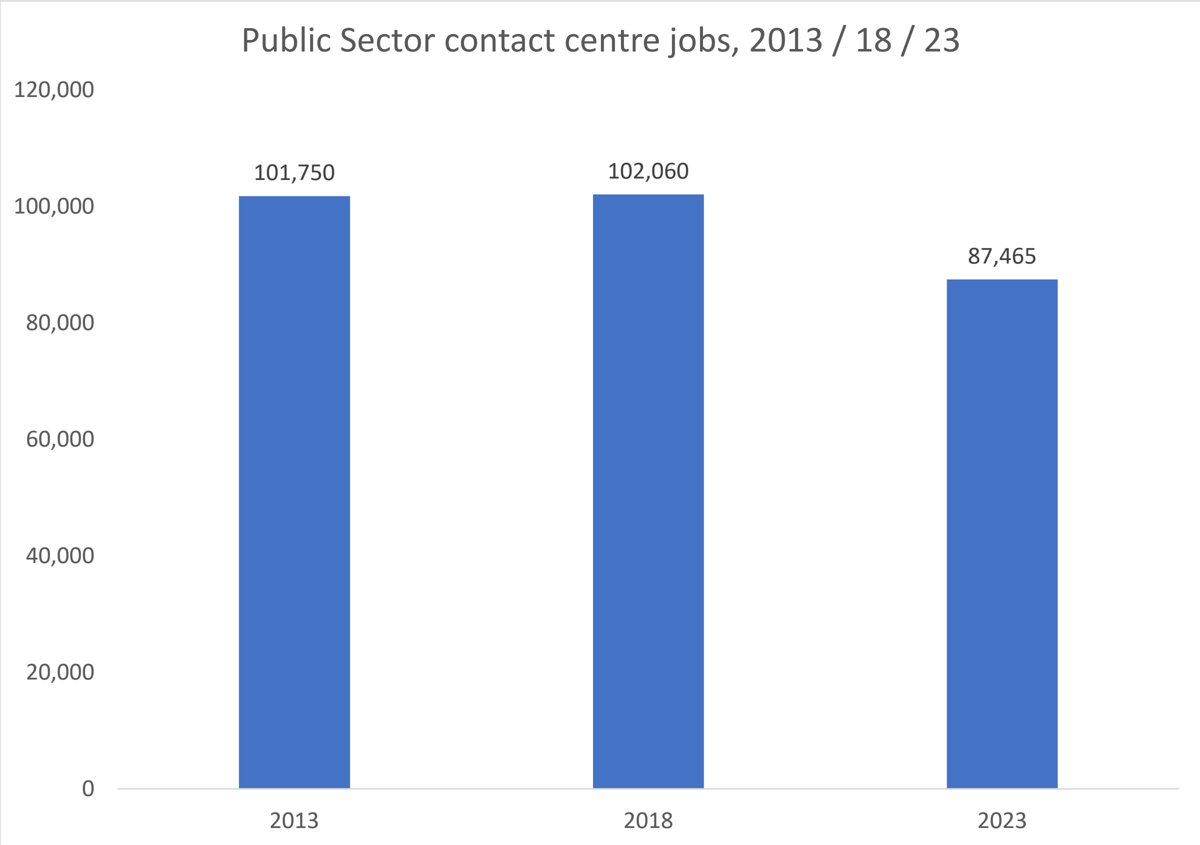
Figure 4: Public Sector agent positions by size, 2013 / 18 / 23



There has been a decline in the jobs associated with public sector contact centres as large central government contracts were signed with outsourcers.

The sector currently employs around 15,000 fewer people than it did in 2018.

Figure 5: Public Sector contact centre jobs by size, 2013 / 18 / 23



GROWTH

Public sector contact centres have seen a slight decline in agent positions, although we expect that a likely change in government will create new jobs in this sector.

Cost-cutting and the closure of some sites due to a hybrid work-from-home model being employed means that a rise in the number of physical contact centres will be lower than that of agent positions.

Figure 6: Public Sector – agent positions and contact centre forecasts, 2023-27

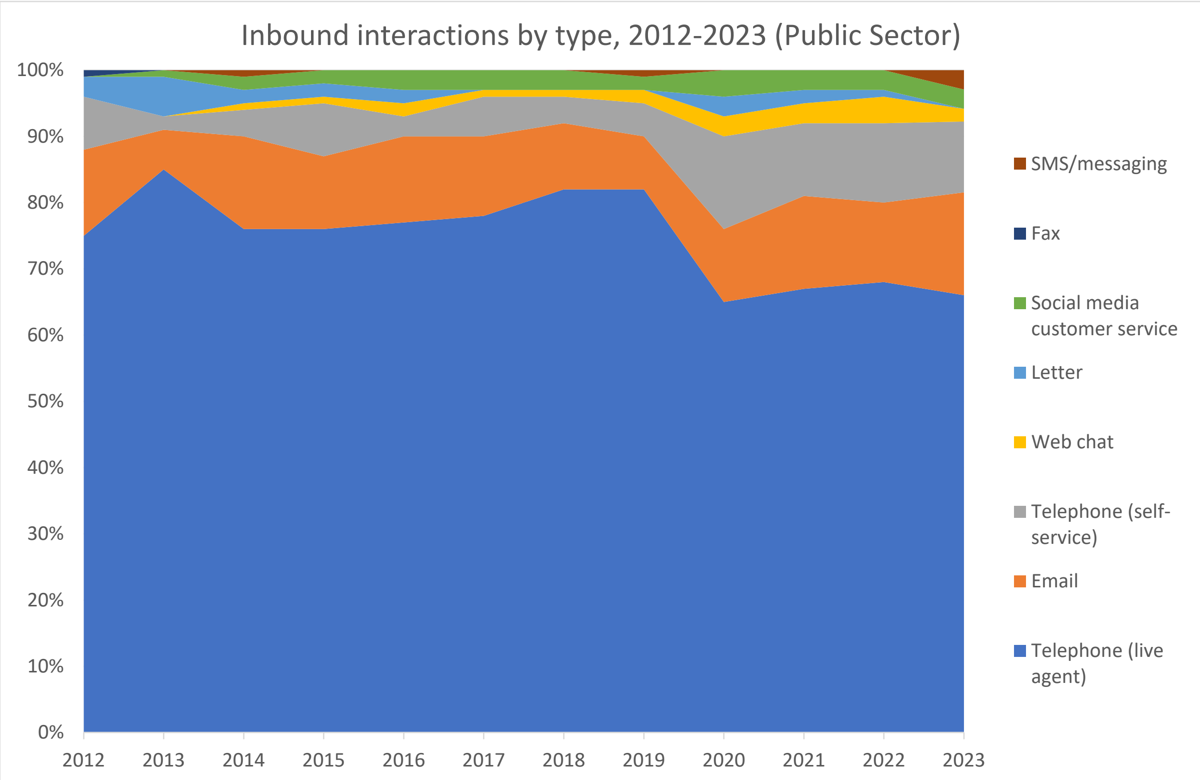
	2023	2027	Public Sector CAGR	Average CAGR
Agent positions	59,500	62,500	1.2%	-0.6%
Contact centres	680	690	0.4%	-0.7%

THE USE AND EFFECT OF OMNICHANNEL

Despite central government's focus on providing digital services to its citizens, there had been little change in terms of the use of live telephony, with 2018 and 2019 seeing a rise in the proportion of inbound interactions through this channel. The pandemic saw many public sector employees having to work from home, including contact centre workers, and self-service and email grew as a result.

Based on the current likelihood of a change of government by the end of 2024, we believe that a Labour government will be more likely to increase public sector spending, meaning an increase in headcount is expected by 2027.

Figure 7: Contact centre inbound interactions by channel, 2012-2023 – Public Sector

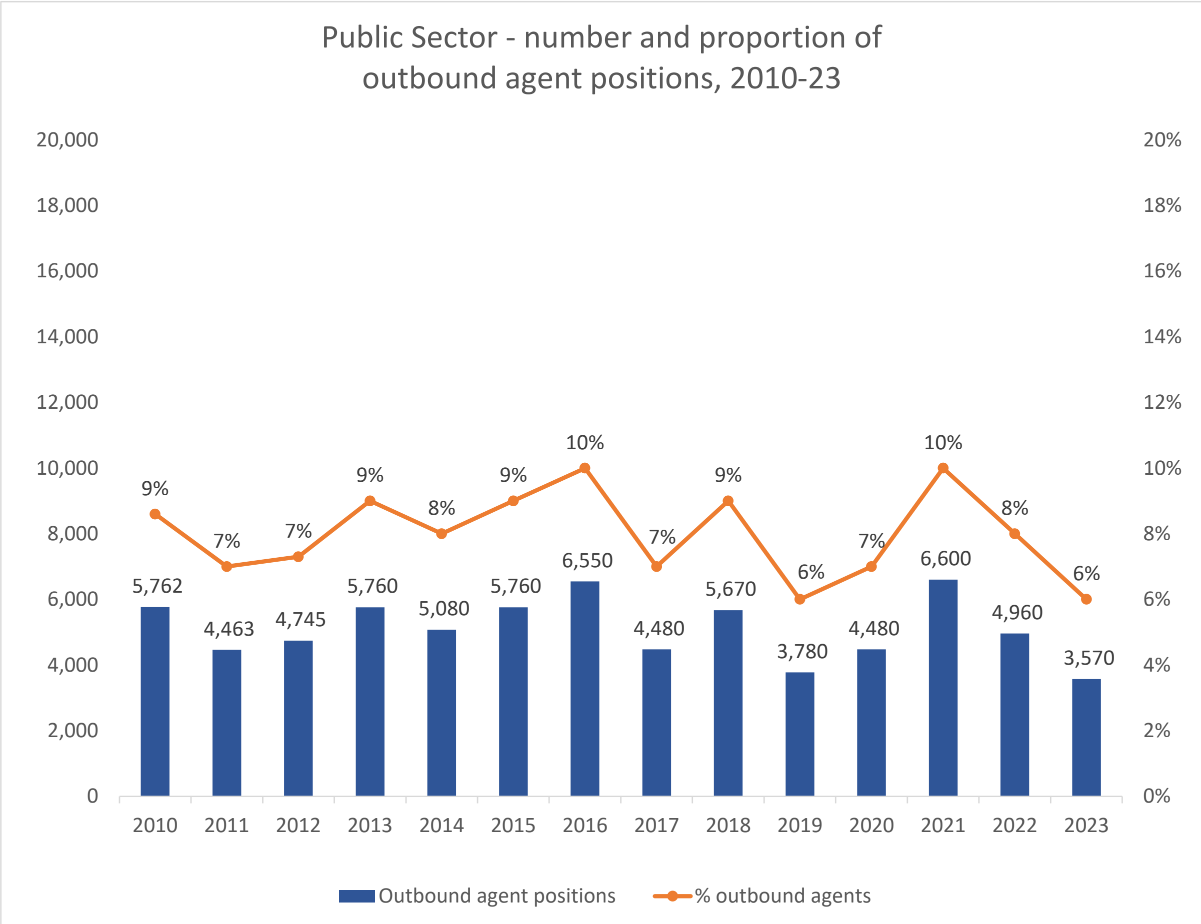


Channel	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Telephone (live agent)	75%	85%	76%	76%	77%	78%	82%	82%	65%	67%	68%	68%
Email	13%	6%	14%	11%	13%	12%	10%	8%	11%	14%	12%	16%
Telephony self-service	8%	2%	4%	8%	3%	6%	4%	5%	14%	11%	12%	11%
Web chat	0%	0%	1%	1%	2%	1%	1%	2%	3%	3%	4%	2%
Letter	3%	6%	2%	2%	2%	0%	0%	0%	3%	2%	1%	0%
Social media customer service	0%	1%	2%	2%	3%	3%	3%	2%	4%	3%	3%	3%
Fax	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
SMS / messaging	0%	0%	1%	0%	0%	0%	0%	1%	0%	0%	0%	3%

INBOUND & OUTBOUND ACTIVITY

The public sector is much more focused on inbound interactions than most other sectors, and accounts for only around 3,500 outbound equivalent agent positions.

Figure 8: Public Sector - number and proportion of outbound agent positions, 2010-23



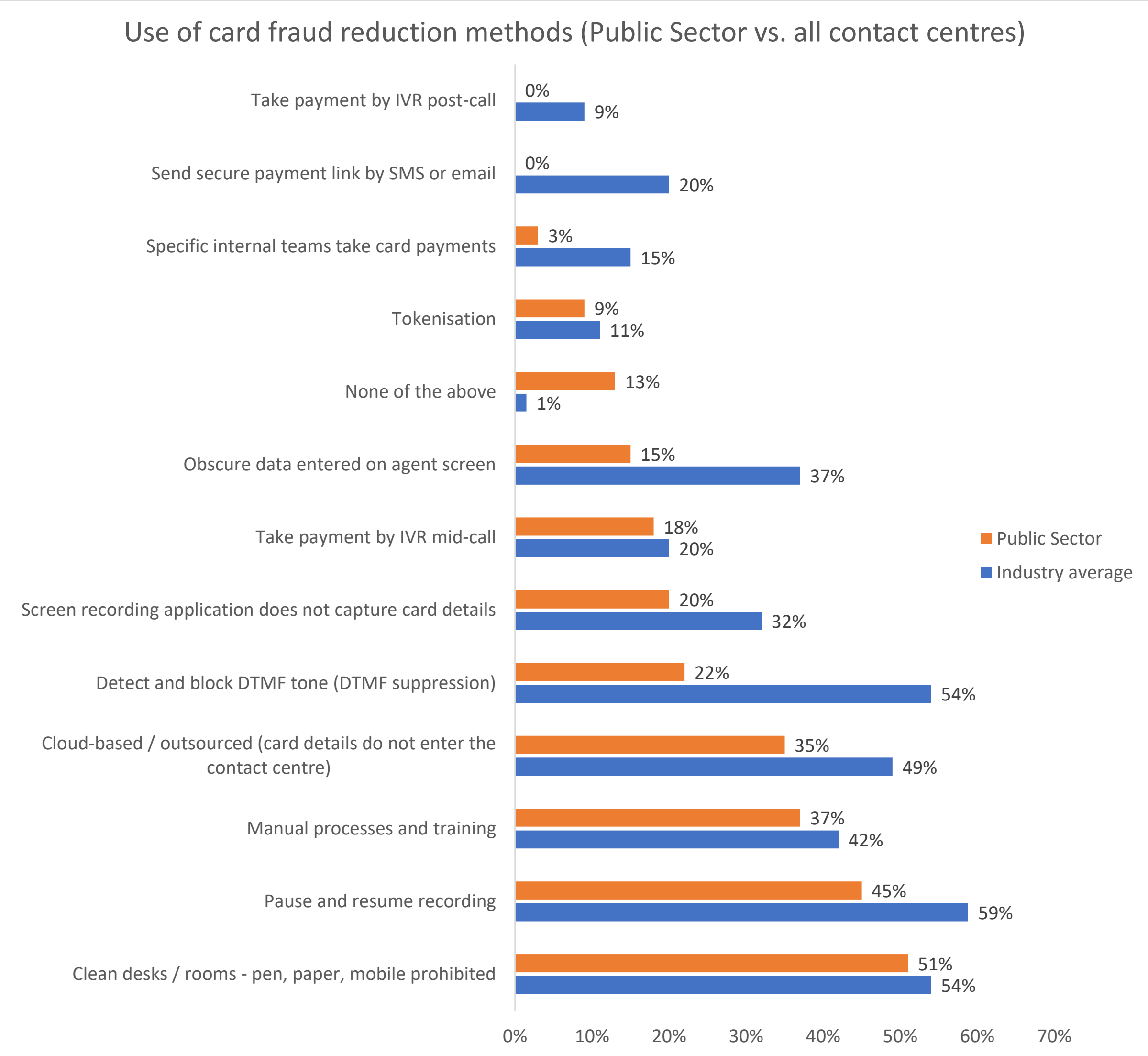
PCI COMPLIANCE IN THE PUBLIC SECTOR

73% of UK public sector survey respondents report that they take payment card information over the telephone, compared to 68% of UK contact centres as a whole.

Potential danger points within the contact centre fall into three main areas: storage, agents and infrastructure. The storage element will include customer databases and the recording environment – both voice and screen – and the potential opportunity for dishonest employees to access records or write down card details should also be considered.

Respondents were presented with a long list of solutions, approaches and business processes that aimed to reduce the risk of card fraud within the contact centre, and were asked to indicate which they used. It should be noted that many of these methods used do not in themselves render the operation fully PCI-compliant, although methods that do not allow the card data into the contact centre at any point (even encrypted) will take the operation out of the scope of PCI.

Figure 9: Use of card fraud reduction methods (Public Sector vs. all contact centres)



For the public sector, pause and resume recording and clean desk/room policies were the main methods used to reduce card fraud, with cloud / outsourcing and manual processes and training also widely used.

The following section discusses some of these more common card fraud reduction methods used by public sector organisations.

Clean Desks / Rooms (51%)

Some organisations set up dedicated payment teams, working away from other agents, often in a clean room environment with no pens, paper or mobile phones, so that customers can be passed through this team to make payment. As these agents have a single responsibility – handling card payments – sometimes they are underutilised, and at other times there can be a queue of people waiting to make payments. In terms of the customer experience, this latter scenario is suboptimal. A clean room is generally not seen as being a particularly pleasant working environment for agents, being spartan of necessity. Not being able to be in touch with the outside world, for example with children or schools, can be a significant problem for some agents. It has been estimated that it takes around £2,000 per agent per year to create and maintain a clean room environment. A clean desk environment is somewhat easier to establish and maintain, and can reduce the threat of card fraud to some extent.

Pause and Resume (45%)

'Pause and resume' or 'stop-start' recording aims to prevent sensitive authentication data and other confidential information from entering the call recording environment. Pause and resume may be agent-initiated, act for a fixed time period (e.g. stopping recording for a minute), or be fully automated. The PCI DSS standard is interpreted as preferring automation over manual intervention to avoid human error. Automated pause and resume may use an API or desktop analytics to link the recording solution to the agent desktop or CRM application, being triggered when agent navigates to a payment screen, for example. The recording may then be paused, to be resumed at the time when the agent leaves the payment screen, which in theory should remove the period of time whereby the customer is reading out the card details.

This method, consistently the most popular, has several obvious benefits, not least of which include a very low set-up cost and the speed of implementation. However, breaking a recording into two parts makes it difficult to analyse the entire interaction, and goes against some industry-specific regulations, e.g. any financial services regulations which require a record of the full conversation, so some contact centres prefer to mute the recording or play a continuous audio tone to the recording system while payment details are being collected, meaning that there is still a single call recording which can be used for QA and compliance purposes. This principle is similar to that applied to **screen recording** applications, where 20% of Public Sector respondents stated that their application does not record card details from the agent's screen. Only 15% of respondents **obscure card details** on the agent's screen, to prevent copies being made.

It should be noted that the November 2018 PCI SSC information supplement "Protecting Telephone-Based Payment Card Data" put more emphasis on "spoken" account data, rather than just focusing on recorded data, which is what pause and resume is obviously aimed at managing. The paper states that "accepting spoken account data over the telephone puts personnel, the technology used, and the infrastructure to which that technology is connected into scope of PCI DSS" including VoIP, so businesses should be aware that pause and resume could only be part of PCI compliance.

Improving Manual Processes and Agent Training (37%)

The third most widely used method was that of improving manual processes and agent training: the biggest risk in any organisation relating to data theft is its staff – not necessarily from fraudsters, but laxity in taking proper care of data – and the relatively low cost of training and education of the risks can go a long way in making staff vigilant to perils such as phishing emails and such like. Phishing emails can mean that staff innocently allow hackers to enter the system, and is a far bigger risk than a rogue staff member writing the odd card number down.

Third-Party Cloud-Based Payment Solution (35%)

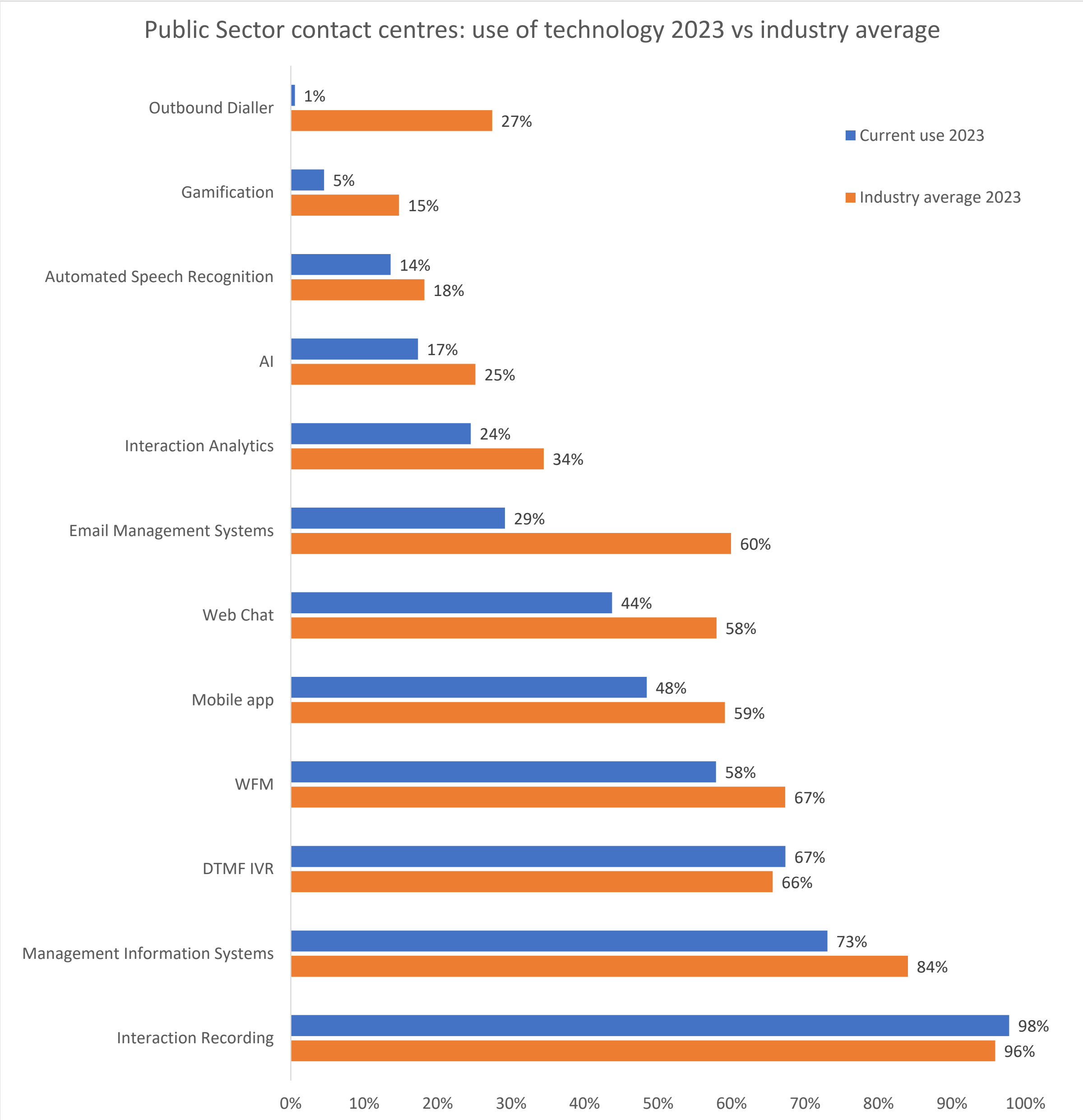
The increasing requirements and costs associated with more stringent payment technology, processes and training mean that many contact centres are choosing to use a third-party to handle card payments, rather than remove the payment option entirely. 35% of Public Sector respondents use third-party cloud-based payment solutions. Using a cloud-based solution to intercept card data at the network level means that no cardholder data is passed into the contact centre environment, whether infrastructure, agents or storage.

As such, this de-scopes the entire contact centre from PCI compliance. Like any cloud-based solution, it relies heavily upon the security processes and operational effectiveness of the service provider, although the PCI DSS attestation of compliance and external audits, along with regular penetration testing may well show superior levels of security over what is present in-house. Some cloud-based solutions may require greater levels of integration or configuration than their on-site equivalents, but are engineered so as to minimise changes to the contact centre systems, processes or agent activities. This option has become significantly more popular with businesses which wish to take card payments but not have to invest in technology or manage the processes that ensure PCI compliance.

TECHNOLOGY

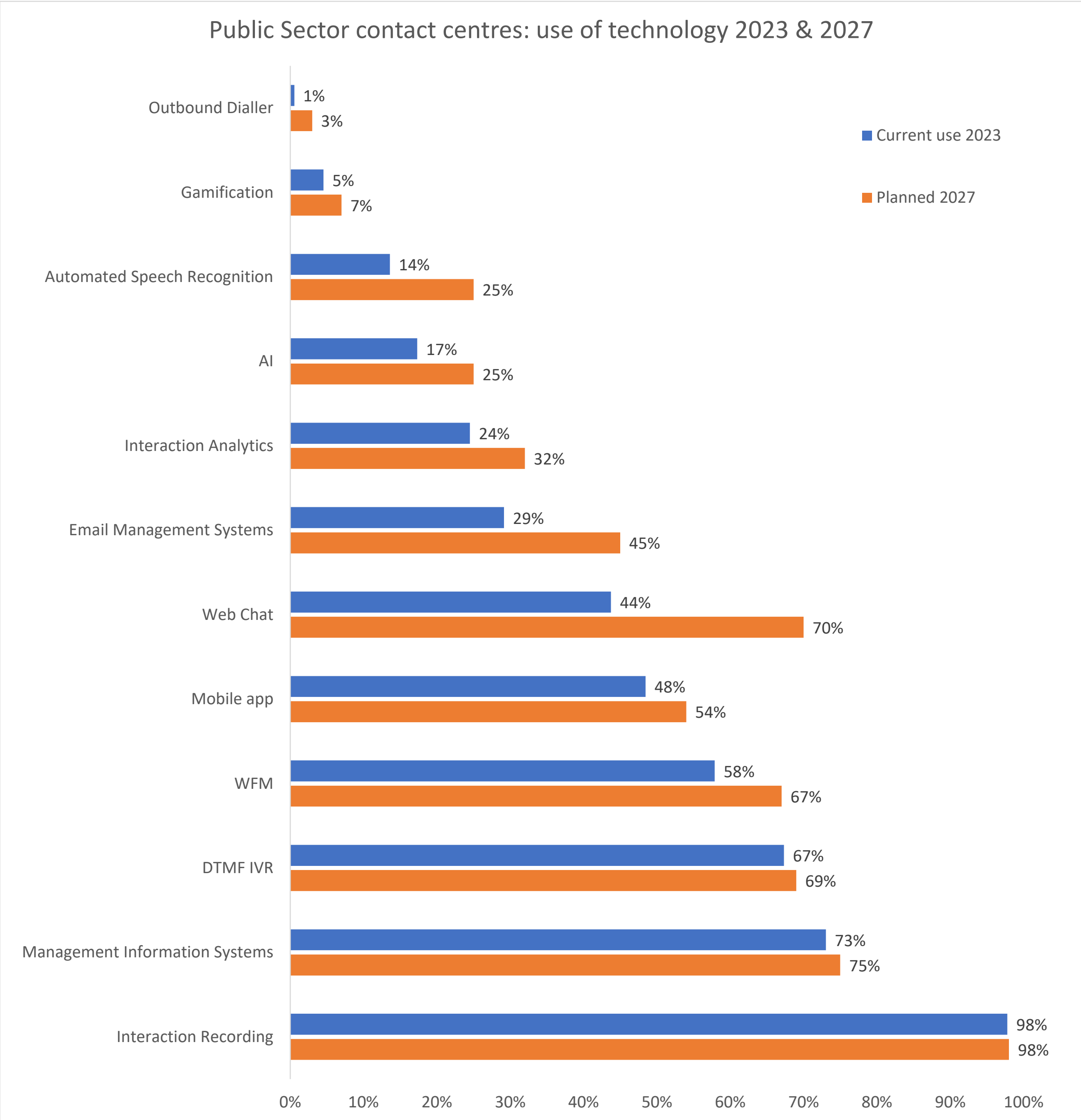
The public sector is generally slow to implement new technology, and the relatively small size of many operations also means that it is behind the technology curve, particularly for newer technology such as AI, analytics and email management, as well as outbound-focused technology such as automated diallers.

Figure 10: Public Sector contact centres: use of technology, 2023 vs. industry average



The greatest expectation of technology growth – and expectation should not be confused with what the reality is likely to be – comes from speech recognition, AI, email management and web chat, as digital channels are pushed more to citizens as being the first port-of-call.

Figure 11: Public Sector contact centres: use of technology, 2023 & 2027



CASE STUDY
Somerset Council

Creating a single digital front door

Somerset Council puts customers first by unifying five separate service organisations and empowering frontline teams

Overview

Somerset residents used to be served by five separate authorities as well as Somerset County Council (SCC). Each had its own contact centre with different phone numbers, opening times, out-of-hours cover, and technology (telephony systems, case management systems, workflow/CRM lite, IVR options and routing strategies). Competencies like knowledge, skillsets and work practices varied too.

“Our aim was to put residents at the heart of how we deliver public services,” said Sharon Passmore, Service Manager, Customer Services at Somerset Council. “We wanted to create a single front door and phone number, while introducing AI-powered automation to free-up agents to apply the human touch where it mattered most. Like dealing with vulnerable and at-risk residents.”

The Solution

After a formal procurement exercise the Council selected a cloud contact centre proposal from Kerv Experience and Genesys.

“Kerv Experience stood out as a partner with a proven track record in managing other Genesys council and similar body migrations," added Sharon Passmore. "As well as supporting our existing voice, email, web messenger and Facebook channels, the solution meant we could be more self-sufficient."

The Result

Now, consolidated on a Kerv cloud-based solution, a unitary Somerset Council is at the heart of public services delivery. Long, confusing IVR menus have been replaced by nine ultra-efficient digital assistants, halving abandonment rates and getting customers to where they need to be 47% faster. Other results include reductions in wait times, above-target CSAT ratings, and cost and time savings.

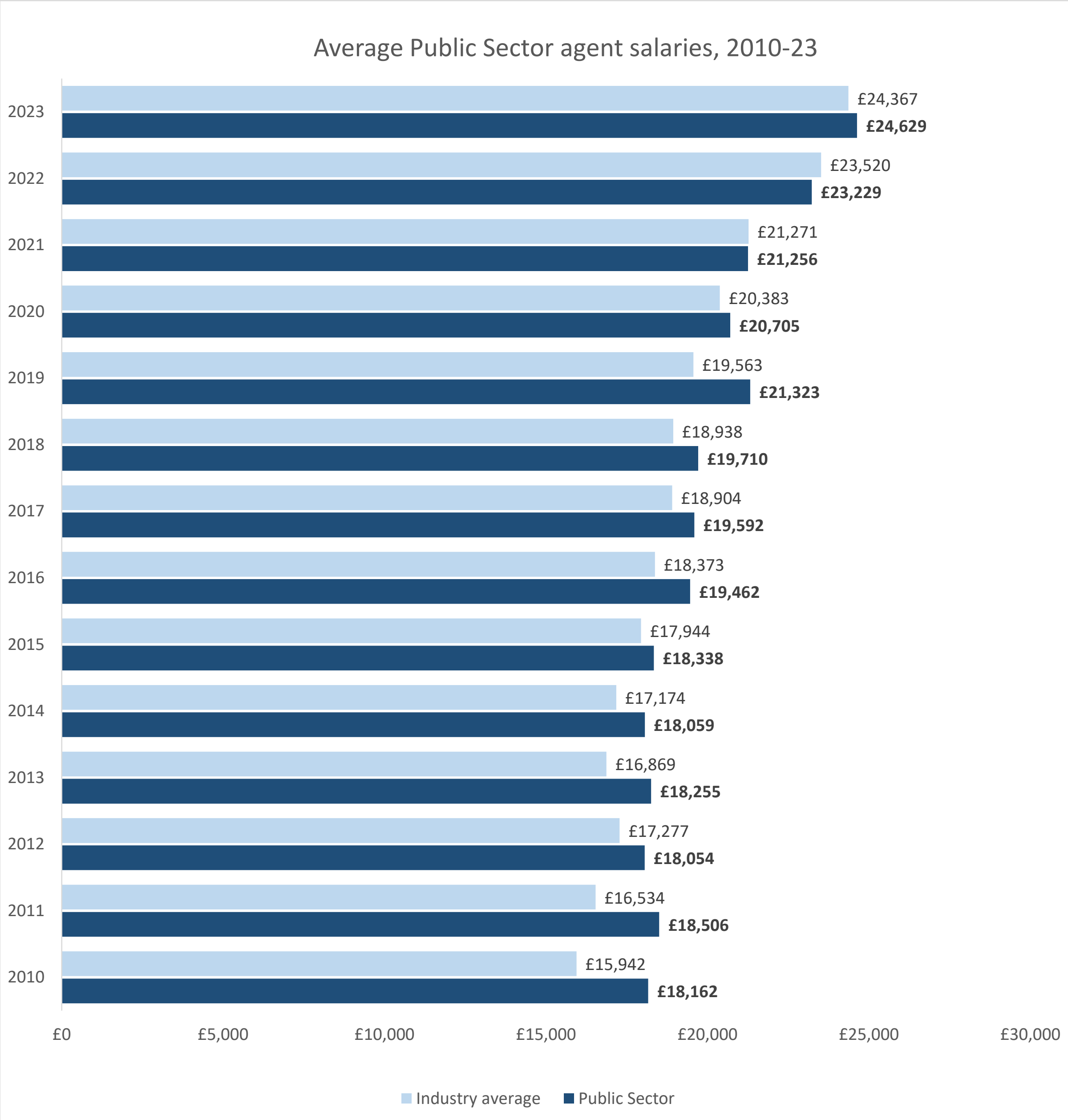
> “Now customers only have one number to call, spend less time queuing, and no longer have to figure out our organisational structure to get the right support. And our staff are better prepared and start conversations on the front foot."
>
> **Sharon Passmore**
> Service Manager, Customer Services, Somerset Council

SALARIES

The salary figures below are calculated by adding together the average salary paid to new agents and to experienced agents, and dividing by two.

Public sector agents have generally been reported to be paid somewhat more than the industry average in almost all of the years studied, although the gap has tightened recently.

Figure 12: Average Public Sector agent salaries, 2010-23

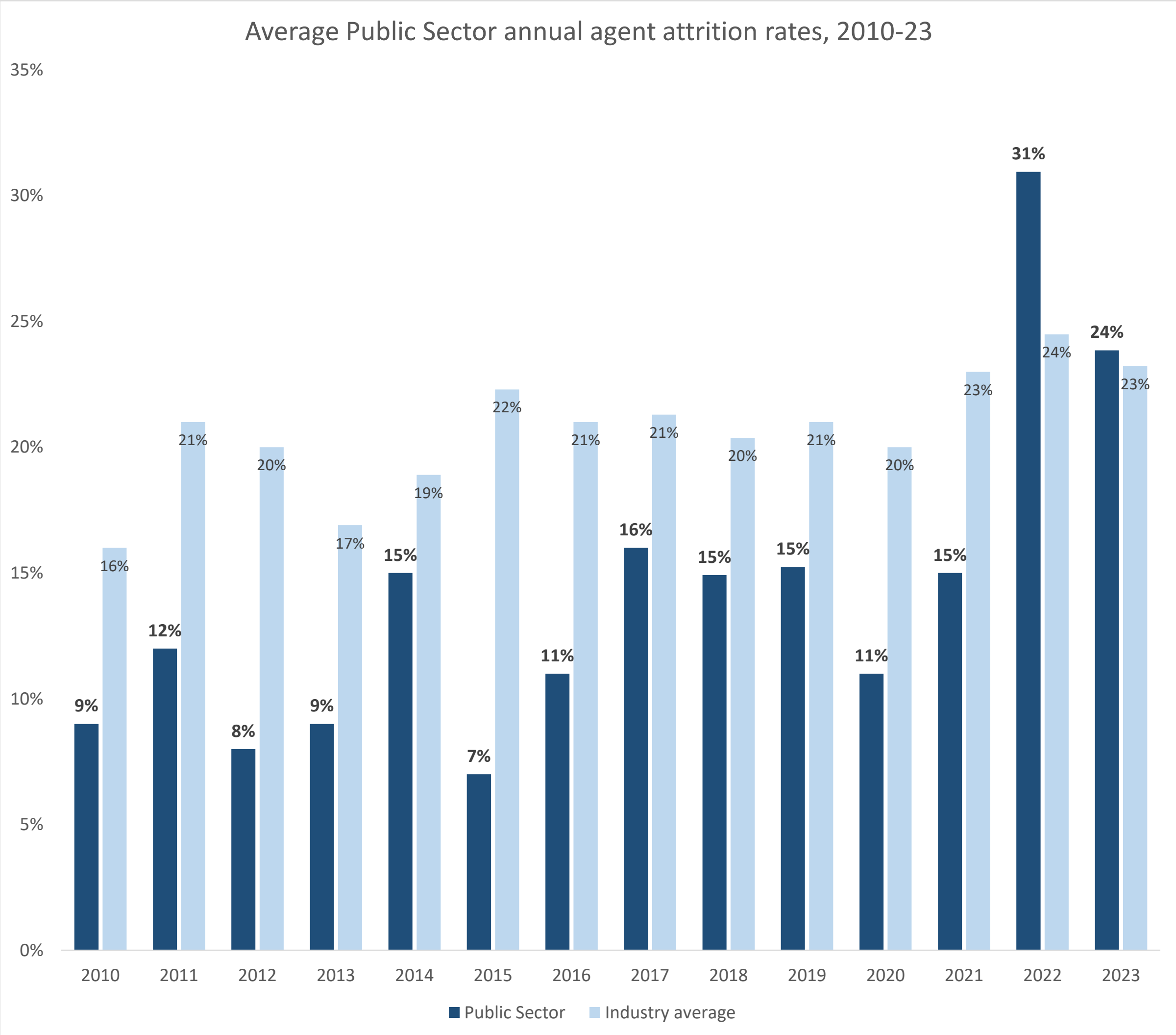


AGENT ATTRITION

Public sector contact centres have generally reported a lower attrition rate than the industry as a whole.

However, the figures in the past two years have been much higher than usual, and may relate to the narrowing of the salary gap with commercial contact centres, as well as the declining performance of public sector operations which may be placing employees under stress.

Figure 13: Average Public Sector annual agent attrition rates, 2010-23

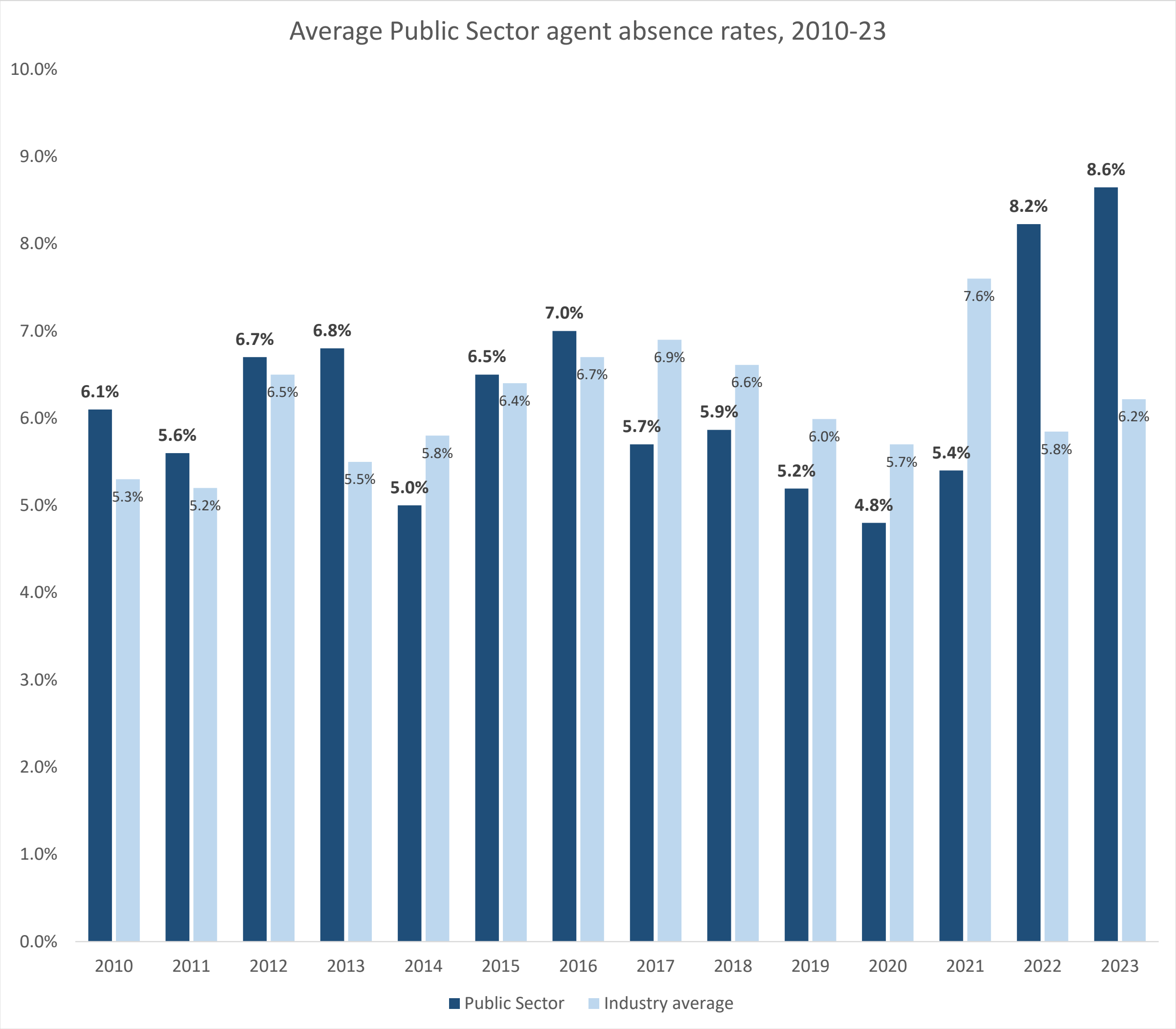


AGENT ABSENCE

From 2017 until 2021, public sector agent absence rates were below the contact centre industry average.

However, the very high absence rate in 2022 and 2023 – in line with the jump in attrition and declining performance – is potentially cause for concern.

Figure 14: Average Public Sector agent absence rates, 2010-23

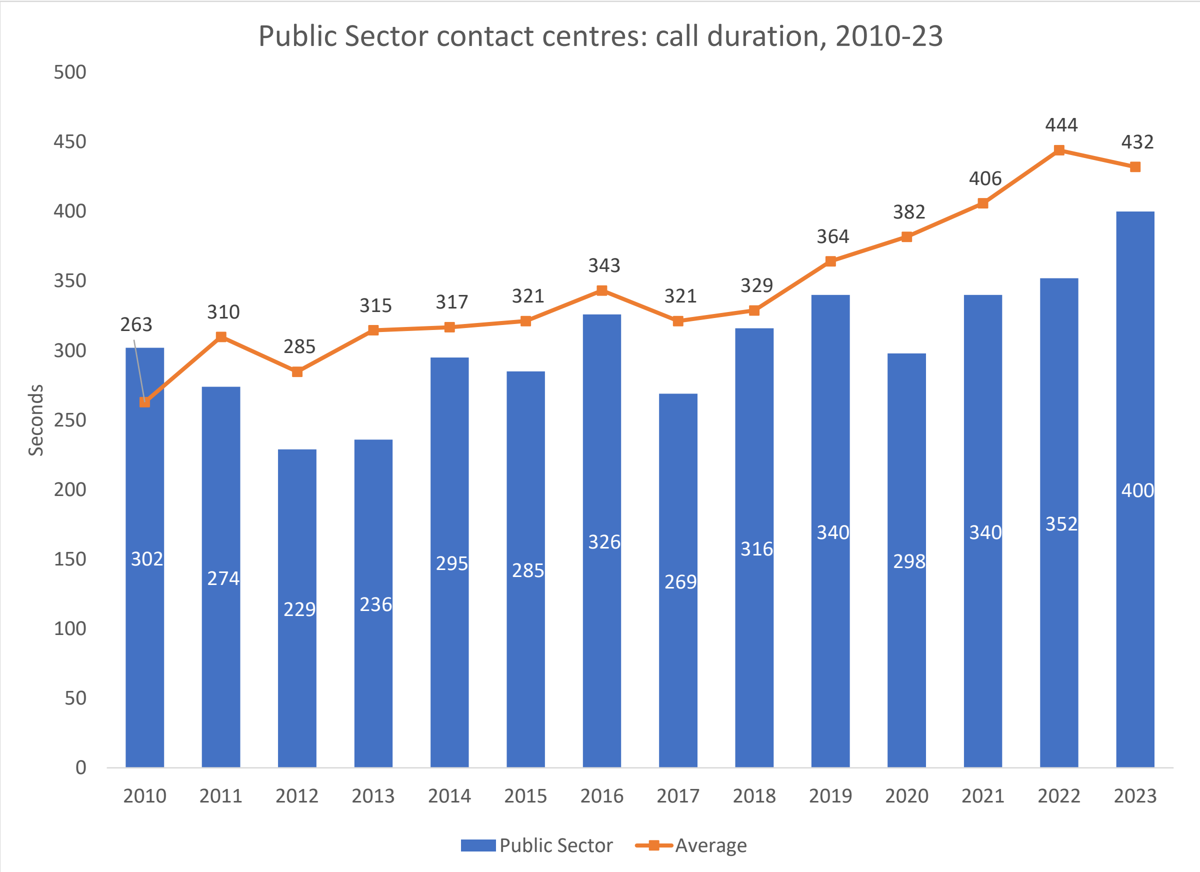


CALL DURATION

Average public sector call lengths have been considerably lower than the UK average in most years since 2014, suggesting a higher than average proportion of simple calls are being handled as the public sector does less with self-service and digital channels than most private sector contact centres.

This pattern still holds, despite an increase in average call durations within the sector.

Figure 15: Public Sector contact centres: call duration, 2010-23



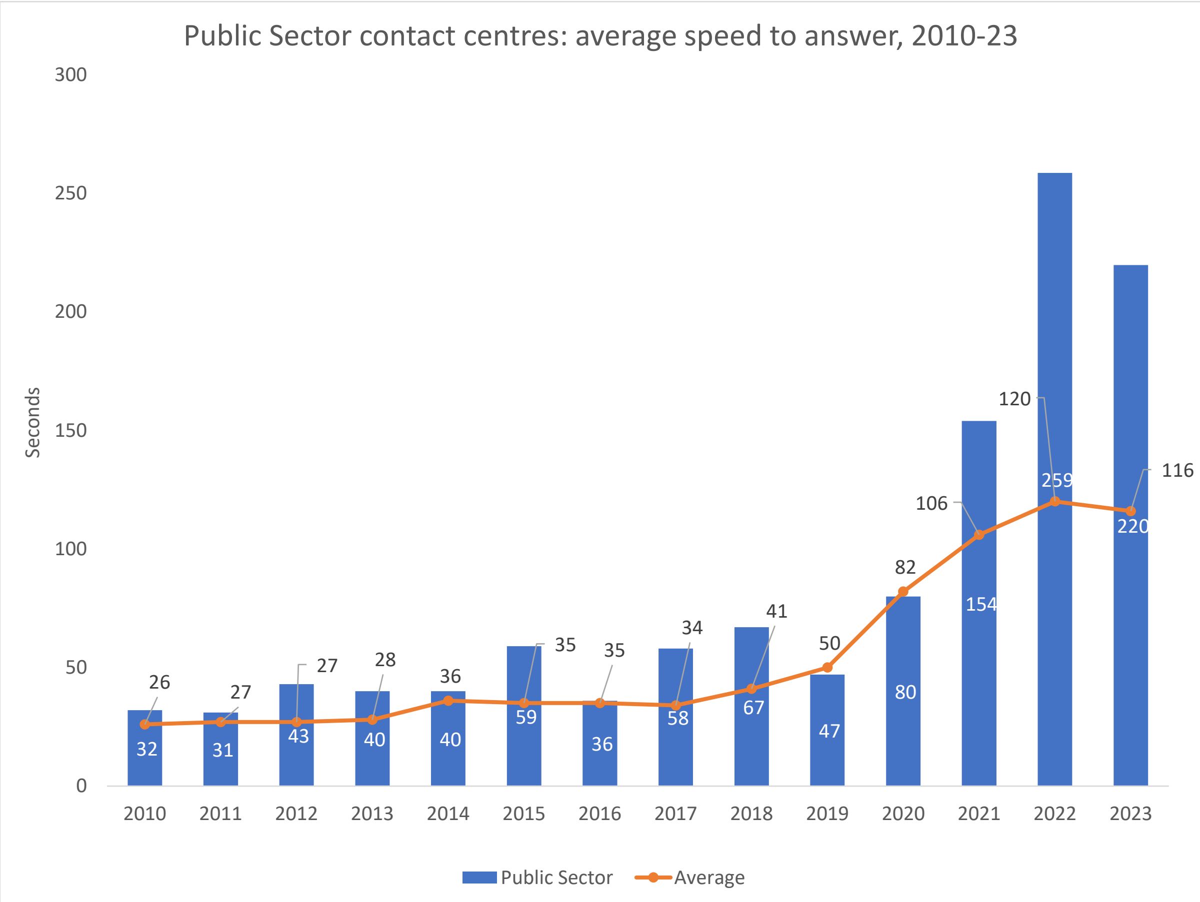
SPEED TO ANSWER

Speed to answer is still one of the most important factors to customers calling a contact centre, so a quick answer is beneficial to the customer experience as a whole.

Public sector contact centres have usually seen a higher than average speed to answer, which has hugely risen since 2019 and is a concern.

Some central government contact centres are under severe pressure to improve their performance, while local government operations will tend to have performance under better control, although their budgets are getting tighter and they are forced to do more with less.

Figure 16: Public Sector contact centres: average speed to answer, 2010-23

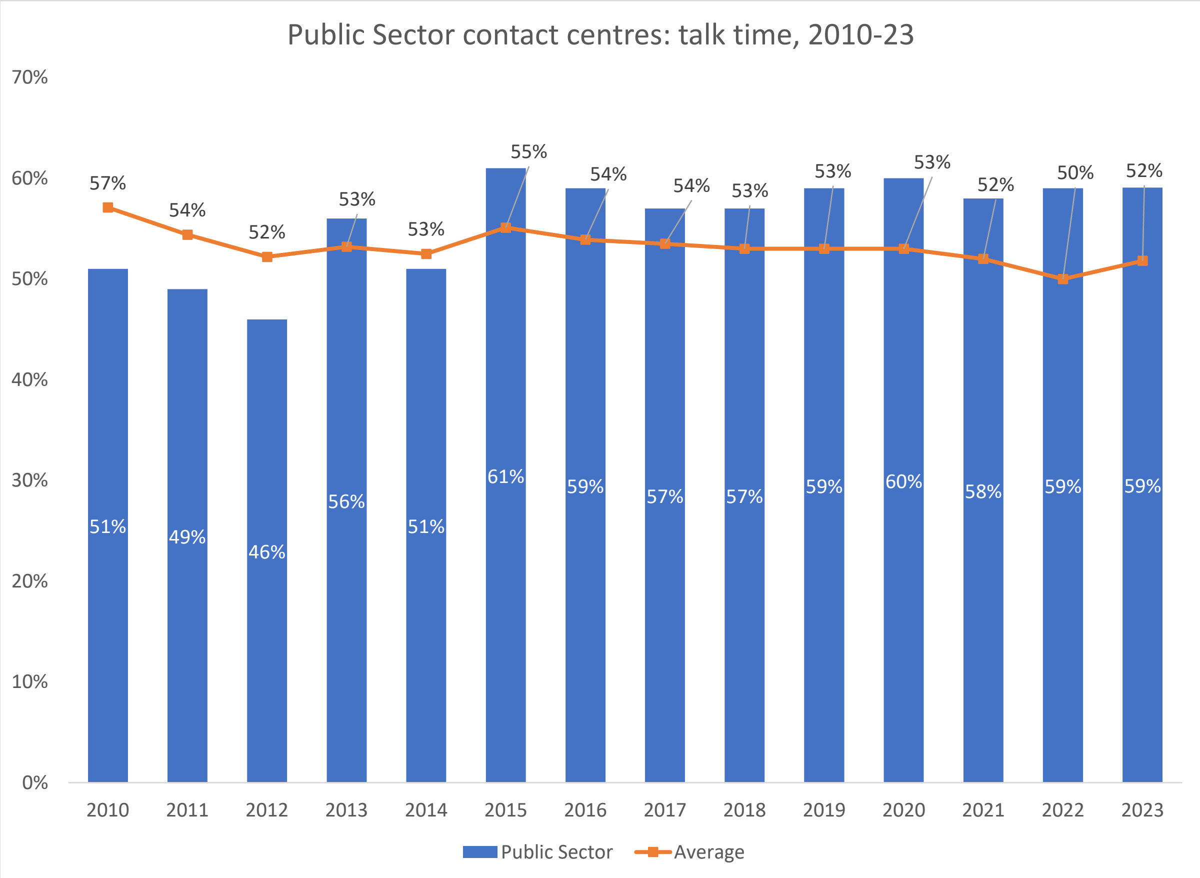


TALK TIME

The proportion of time spent actually talking to customers has been higher than the industry average since 2015, in line with the lower use of self-service and digital channels in this sector.

Telephony is still very much the key communication channel used by citizens, despite an increase in the use of digital channels since the pandemic.

Figure 17: Public Sector contact centres: talk time, 2010-23



ABOUT CONTACTBABEL

ContactBabel is the contact centre industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

We help US and UK contact centres compare themselves to their closest competitors so they can understand what they are doing well, what needs to improve and how they can do this.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analysing the contact centre industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

Email: info@contactbabel.com

Website: www.contactbabel.com

Telephone: +44 (0)1434 682244

Free research reports available from www.contactbabel.com (UK and US versions) include:

- The Inner Circle Guide to Agent Engagement & Empowerment
- The Inner Circle Guide to AI-Enabled Agent Assistance
- The Inner Circle Guide to Chatbots, Voicebots & Conversational AI
- The Inner Circle Guide to Cloud-based Contact Centre Solutions
- The Inner Circle Guide to Customer Engagement & Personalisation
- The Inner Circle Guide to Customer Interaction Analytics
- The Inner Circle Guide to First-Contact Resolution
- The Inner Circle Guide to Fraud Reduction & PCI Compliance
- The Inner Circle Guide to Next-Generation Customer Contact
- The Inner Circle Guide to Omnichannel
- The Inner Circle Guide to Omnichannel Workforce Optimisation
- The Inner Circle Guide to Outbound & Call Blending
- The Inner Circle Guide to Remote & Hybrid Working Contact Centre Solutions
- The Inner Circle Guide to Self-Service
- The Inner Circle Guide to the Voice of the Customer

- The Australia & New Zealand Contact Centre Decision-Makers' Guide
- The UK Contact Centre Decision-Makers' Guide
- The US Contact Center Decision-Makers' Guide
- The UK Customer Experience Decision-Makers' Guide
- The US Customer Experience Decision-Makers' Guide
- Exceeding UK Customer Expectations
- Exceeding US Customer Expectations

- UK Contact Centre Verticals: Communications; Finance; Insurance; Outsourcing; Retail & Distribution; Utilities
- US Contact Center Verticals: Finance; Insurance; Outsourcing; Public Sector, Retail & Distribution.