

Report to the Cabinet

Report reference: C-074-2015/16

Date of meeting: 3 March 2016



**Epping Forest
District Council**

Portfolio: Leader

Subject: Transformation Programme - Customer Experience Workstream

Responsible Officer: Simon Hill (01992 564249).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) That the recommendations made to the Council by the Customer Services Review Group (attached at Appendix 1 to this report) be accepted in principle as a starting point for the Transformation Programme - Customer Experience Workstream;**
- (2) That, having considered the options, the Council move towards a centralised customer services function;**
- (3) That the following steps be approved:**
 - (a) take steps to proceed with the appointment of a Customer Services Manager for the Council and IT support post, submitting a further report to Cabinet on any additional resources required and options filling these positions;**
 - (b) the Transformation Programme Board be asked to consider the organisational structure for the customer services function;**
 - (c) the repair or replacement of the atrium windows during 2016/17 financial year with a further report to the Cabinet if additional resources are required;**
 - (d) to undertake a full feasibility design and costing of the main reception including its accommodation needs by October 2016;**
 - (e) to seek a recommendation from Officers on a suitable Customer Relationship Management system for the Council (formal evaluation stage to be completed by October 2016);**
 - (f) to initiate discussions with public sector partners to explore the potential for sharing reception space and to accommodate this within any design; and**
 - (g) to seek set targets and a timescale for the further discovery and implementation stages from the Transformation Programme Board, including formal monitoring of customer visits.**

Executive Summary:

In April 2015, as part of the Corporate Plan Action Plan for 2015/16 the Council set a Key Action of having:

- (1) efficient arrangements in place to enable customers to contact the Council easily in a variety of convenient ways, and
- (2) in most cases have their service needs met effectively on first contact.

The Action Plan 2015/16 required that a multi-disciplinary officer group be established to undertake a review and report on proposals for improving customer contact with the Council by March 2016.

The Cabinet has now received the report of the Customer Contact Review Group which is attached.

The report brings forward a number of recommendations across three areas:

- (i) Proposals for a rationalised reception service and options for handling customer contact.
- (ii) How to develop business processes to enable channel shift to cost effective channels.
- (iii) Proposals for the evaluation of Customer Relationship Management (CRM) systems.

Reasons for Proposed Decision:

The Council has previously attempted to implement a more organised Customer Service centric approach to its services. The problems identified by Steria¹ stem from a study in June 2005.

The anticipated benefits of this approach would be:

- Increased accessibility to services that match the changing needs of our aging population;
- Increased proportion of customer contacts completed at the first point of contact;
- Reduced need for customers to re-tell their stories by using a light Customer Relationship Management system;
- Increased efficiency and cost reduction, 'nudging' customers to complete their transactions using self-service; and
- Increased satisfaction with our customer service.

The Council recognises that, with the diminishing resources available to it, a review of procedures is timely and added a review to its Key Objectives in 2015-16. This report is a start in seeking answers to improving our performance.

Other Options for Action:

The Council could choose:

- (a) Not to implement a combined reception area or centralised customer contact handling.
- (b) To continue to provide services to the public in the manner currently undertaken.
- (c) Not to bring forward the required repairs to this year.
- (d) Not to seek the implementation of a CRM system.

¹ Steria Contact Scoping Study report 9 June 2005

Report:

1. The means by which customers and partners interact with Epping Forest District Council varies enormously between sections and services. The Council has previously attempted to implement a more organised Customer Service centric approach to its services. The Council recognises that, with the diminishing resources available to it, a review of our procedures is timely and added a review to its Key Objectives in 2015-16.

2. A multi-directorate working group of Officers (CCR Group) was established and has been meeting since September 2015 to look at work which were split into three streams of work:

- Stream 1 - Centralised Reception in Civic Offices and Answering Enquiries at First Contact.
- Stream 2 – Channel Shift.
- Stream 3 – Implementation of a Contact Relationship Management System.

3. The group has produced a report which has been presented to the Management Board and Cabinet members. Greater detail on the work and how the Group came to their recommendations can be found in their report which has been published as a supplementary paper for this Cabinet agenda.

Stream 1 - Proposals for a rationalised reception service and options for handling customer contact

4. Without a strategic approach to customer contact, the use of different customer contact channels and service provision has evolved on a somewhat piecemeal basis. There are areas where these are well developed at sectional level but others where it is not. While some service areas have adapted to the changing expectations of customers and use of technology, other service areas have retained more traditional forms of contact. Telephone answering performance has improved since 2005 but there are still pockets where it is poor.

5. The Civic Offices building itself is approaching 30 years of age. No radical changes have been made to the layout of its building or reception areas in that time. Remedial repairs being carried out this year to various areas.

6. The reception areas do not meet modern accessibility standards. The main desk requires work and there are operational issues. The building has a number of different receptions for services which means that visitors use different buildings and floors to access services.

7. The report of the CCR Group gives options for the future organisation of customer contacts. In summary the report has concluded:

- (1) That good customer service exists here and needs to be replicated across the Council.
- (2) That telephone answering performance has improved considerably since 2005/6, with much lower levels of call abandonment, albeit with pockets of low performance. These may be restrained by organisational requirements.
- (3) The Council needs to understand the types and quantities of customers and the customer's journeys. Further monitoring work is required to inform future service provision.

- (4) That centralisation of the main reception has met with support and should now be subject to a full feasibility design and further report to members.
- (5) That the Council needs to decide whether it wishes to centralise its main call handling and if so, needs to appoint a suitable officer to lead this change.
- (6) That multi-skilling of customer facing officers will be required for which training will form an important element and will have an organisational impact.
- (7) A scalable response to peaks in enquiries is required in any event and further modelling of this will be informed by study.
- (8) Dealing with accommodation matters in a time sequential way will hold back implementation until at least 2018. If it is desired to implement this earlier then some Communities staff will need to be relocated.
- (9) Repairs to the atrium windows or their complete replacement are required and should be added into the building maintenance programme now.
- (10) Centralised change needs project management and IT systems support.
- (11) If the Council decides to keep its call handling separate, then consideration needs to be given to how mutual support can be given and how other services can be supported going forward.

Stream 2 - Channel Shift

8. Channel shift is the process whereby the traditional means of service delivery such as post, phone and face to face contact is replaced by electronic, remote communication. Channel shift is increasingly identified with self-service, the internet, websites and social media.

9. The CCR Working Group concludes that to achieve the full benefits of channel shift, the organisation must review the full workflow process (known as business process mapping). Rather than just bolting new forms of communication onto the 'front end' of service delivery, channel shift requires a root and branch review of workflow processes, procedures and technology to realise full organisational benefits as well as customer service.

10. It has concluded:

- (1) That the Council needs to conduct further analysis of current channels available to service areas.
- (2) That the Council should undertake Business Process Mapping to establish where changes to processes and procedures can be developed in conjunction with channel shift.
- (3) That the Council identify priority areas (ie those areas where the greatest impact can be achieved most rapidly in the most cost efficient manner).
- (4) That the Council should implement channel shift in these priority areas first.

Stream 3 - Evaluation of Customer Relationship Management (CRM) Systems

11. The previous reviews of Customer Contacts noted the lack of a Customer Relationship Management (CRM) system. At that time CRM systems were generally large complex systems with a prohibitive cost. Technology has changed over time and customer contact recording has not been centrally managed or captured.

12. If the authority is to move forward with a centralised contact centre then effective and cost effective ICT systems are essential in capturing and managing the complex nature of incoming enquiries.

13. The Working Group have concluded:

- (1) The analysis indicates that the benefits resulting from a roll out of the full CRM to all staff would be outweighed by the costs involved.
- (2) The Implementation of a CRM system is required for Customer Contact team(s) to provide a tool for day to day call logging, and a dashboard for managers to have an overview of contacts.
- (3) Implementation of CRM would be gradual, potentially as teams are incorporated in a Corporate Contact centre, for this reasons the purchase of licenses could be managed to prevent licenses being purchased until required.
- (4) Any CRM system is to be used for contact logging, not as a business system – except in areas where there is not an existing business system.
- (5) The Implementation of a Customer Contact Capture form for all other staff to use to feed into the CRM, would allow the capture the contacts efficiently without the need for cross training and licences to use the CRM system.
- (6) The Integration of Customer Facing forms into the CRM system will enable the Council to create a single view of these contacts, and to allow customers to remotely access the CRM system to log issues and follow progress.
- (7) The Consideration of Integration to business systems on a case by case basis based on level of enquiries received and the nature of the enquiry.
- (8) The internal cost in terms of staff resource would increase as the system becomes more complex with integrations, and as more users are added (overall training costs).
- (9) Integration of online portals from other systems to the CRM online portal should be prioritised over business system integration.
- (10) Managers need to consider potential uses of business intelligence (BI) that a CRM system can give, as one of the key benefits of a CRM system is BI – but only if there is a use for it.
- (11) That officer support for any implementation of a CRM or CRM (light) solution is needed within ICT.
- (12) That an evaluation of potential software should now be undertaken.
- (13) That the number of licenses for a new system is based upon the decisions on whether a centralised or decentralised call centre methodology is followed.

- (14) That each potential system integration will cost money and should be subject to formal cost/benefit analysis.

Taking Proposals Forward

14. The Management Board and Cabinet Members have had the opportunity of receiving a presentation focussing on the recommendations of the CCR and the options for change. Members have asked for a report on the next steps that could be taken if they favour the option to centralise customer contact. The view has been expressed that centralisation provides the greater opportunity to increase customer satisfaction levels and service provision across the directorates to provide consistent levels of experience and call answering.

15. The report brings forward a series of recommendations which will need to be addressed as part of the wider work on the Customer Experience workstream within the transformation programme. These are set out in Appendix 1 to this report. For greater detail please see the main CCR report.

16. There are a number of preparatory steps that the Cabinet could agree now. These are:

- Proceed with the appointment of a Customer Services Manager for the authority and an IT support post, submitting a further report to Cabinet on any additional resources required. This would include an assessment of the job description and scope, evaluation, costings and options filling these positions.
- The Transformation Programme Board be asked to consider the organisational structure for the customer services function – Where the function would sit within the organisational structure.
- The repair or replacement of the atrium windows during 2016/17 financial year with a further report to the Cabinet if additional resources are required – currently no provision exists within the programme for these works.
- To undertake a full feasibility design and costing of the main reception including its accommodation needs by October 2016 – discussion with the Councils Facilities Management team suggest this is an achievable target date.
- To seek a recommendation from Officers on a suitable Customer Relationship Management system for the Council (formal evaluation stage to be completed by October 2016).
- To initiate discussions with public sector partners to explore the potential for sharing reception space and to accommodate this within any design. There are a number of potential partners that have been suggested by the Leadership Team which could be approached. See page 28 of the main report.
- To undertake formal monitoring of customers visits from 1 April 2016, which is essential to set a base line for visitor traffic.
- To seek set targets and a timescale for the further discovery and implementation stages from the Transformation Programme Board.

17. The Transformation Programme Board will be in position to monitor the progress of this project and provide regular reporting back to the Cabinet. Where matters require further

resources they will be subject to a further report. The Cabinet are asked to consider these steps and recommendations accordingly.

Resource Implications:

There is currently no budgetary provision for the Customer Experience Workstream. The report envisages that further reports will be made to members on the following elements:

- (1) Additions or rephrasing of the Planned Building Maintenance Budgets;
- (2) Key Officer appointments;
- (3) Capital sums that will be required for completion of the reception project; and
- (4) The CSB cost of a CRM system.

Legal and Governance Implications:

Members have before them a separate report which outlines the proposals for ensuring that the Transformation Programme is effectively monitored.

Safer, Cleaner and Greener Implications:

None at present. Safety of customers will be a factor in the forward design of the service.

Consultation Undertaken:

As part of the formulation of the report, a number of services have been consulted. Staff have also had the opportunity to comment during the process and have all received a link to the final report. Management Board and Leadership Team members have also been given the opportunity of commenting on the findings.

Background Papers:

The following documents have been used in the preparation of this report and that of the CCR Working Group:

- CSTP Programme Plan (draft) 2006-2009
- Reports to Cabinet and Council July 2006
- Task and Finish Review October 2006
- Report to Cabinet on NW Maintenance HUB
- Report on Closure of Cash Office to Cabinet
- Report of the CCR Working Group – January 2016

Risk Management:

In line with the Transformation Programme, customer satisfaction may be affected if expectations for service delivery are not met. The authority's capacity to continue to deliver high quality services will be tested through the change process. Staff morale and engagement with new working practices are also likely to be significant factors.

On-going communication and explanation of the benefits of transformational change will be necessary. Inevitably, some staff will find the experience of change more difficult than others.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

There are no equality implications arising from the recommendations in this report. The transformation programme will, however, inevitably recommend changes to the way the authority provides services in the future. A key principle in the redesign of services will be to focus on the customer.

The main reception area is not currently accessible to wheelchair users.

The provision of customer services in accessible ways will continue to be a prime consideration.

**Recommendations made to the Council by the Customer Contact Review
Working Group of Officers**

**Stream 1 - Centralised Reception in Civic Offices and Answering Enquiries at
First Contact**

- (1) Management Board and Members need to lead this project to move it forward.
- (2) That consistent visitor data recording should be undertaken by all reception areas and services routinely for a period of three months to provide a base line to inform the project.
- (3) That a decision be made to move to centralised or maintain a decentralised customer service team arrangement and then undertake the consequential recommendations.
- (4) If centralised:
 - (a) shut the switchboard and place a Customer Contact Centre (CSC) in between customers and officers to drive call traffic.
 - (b) Develop the current environmental services team as the hub of a main contact centre as a starting point.
 - (c) Appoint a Customer Services Manager to drive the process forward
 - (d) Develop a plan for the gradual movement of most enquiries to that team over time.
- (5) If decentralised:
 - (a) Formalise the processes that would allow call centres to provide mutual support.
 - (b) Deal specifically with those service areas where call answering is poor;
 - (c) Develop a programme of staff training based upon specific support needs and systems;
 - (d) A CRM is still going to be required
 - (e) Look at how the switchboard operators can be assisted during peak times.
- (6) That a single central reception has support and is required if front line customer service is to remain in Epping and reception services are to be co-located;
- (7) That the programme should not wait for an accommodation strategy during the overall transformation programme thus treating it as an exception or starting point.
- (8) That Facilities Management be requested to draw up a feasibility design based on the requirements set out in this report.
- (9) That further 'open' counter space is needed and should be taken into account in the design.
- (10) That Director of Neighbourhoods consider how recycling bag distribution can be improved so that residents do not need to attend these offices to collect bags.

Stream 2 – Channel Shift

That Channel shift is considered to be not only desirable but an inevitable consequence of evolving technology. In order to maximise the benefits of channel shift from a customer and an organisational perspective, the report proposes:

- (1) Adoption of the principle of Channel Shift to meet and reflect evolving customer service requirements.
- (2) Subject to 1 (above), to conduct further analysis of current channels available to service areas.
- (3) Business process mapping to establish where changes to processes and procedures can be developed in conjunction with channel shift.
- (4) Identification of priority areas (ie those areas where the greatest impact can be achieved most rapidly in the most cost efficient manner).
- (5) Prioritise and implement channel shift in areas identified in (4) above.

Stream 3 – Implementation of a Contact Relationship Management System

- (1) That the Council should progress an additional ICT post to support the development of the form system and related integration to allow:
 - Migration of existing current Achieve Forms to the new 'Self' portal as a precursor to any CRM implementation, and to assist channel shift (cost of £36,000 p/a for 50 seat implementation).
 - Creation of a corporate customer contact capture form again as a precursor to CRM implementation
 - Implementation of integration between the public facing systems – i.e. Self and Connect, and Self and eNgage
 - Formal evaluation of the Firmstep CRM system (Achieve Service) as a potential affordable upgrade to Achieve Forms to provide a cost effective CRM system offering most of the benefits of the more costly systems in a timely and cost effective way.
- (2) That a decision is required on the number of users who will make use of the full CRM system (based upon the decisions taken about centralised or decentralised Contact Centres)
- (3) That there should be formal evaluation of the costs/benefits involved in each potential system integration should be carried out once a decision in principle has been reached about the potential use of the Firmstep CRM system