

Report to Finance & Performance Management Scrutiny Panel

Date of meeting: 17 November 2009

Subject: Customer Transformation Priorities

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Committee Secretary: Adrian Hendry



Recommendations/Decisions Required:

Members of the Panel are requested to consider and prioritise the outstanding issues from the Review of Customer Transformation and advise Overview and Scrutiny and Cabinet accordingly.

Report:

Background:

During 2008/09 the Customer Services Transformation Task and Finish Panel, undertook a review of the Customer Services Programme, previously explored by the Council, to identify those initiatives which could have the greatest impact on improving access to services and response to customer enquiries.

The final report of the Task and Finish Panel (Attached) was fully endorsed by Overview and Scrutiny Committee and subsequently considered by the Cabinet in February 2009. The final report contained 9 key recommendations as listed below:

- (1) That given the increasing importance of the Council's Website with respect to communication, information and electronic interactions, the level of dedicated resource to the maintenance and development of the Council's Website be increased;
- (2) That a Continuing Services Budget growth bid be made to fund an additional two, Range 5 (subject to job evaluation) Website Support Officers as part of the Budget Process for 2009/10, at an estimated cost of £48,860 per annum;
- (3) That a re-organisation be undertaken at the Civic Offices to enable customers to access the majority of Council Services at a single reception/customer services area of the ground floor;
- (4) That further detailed feasibility work be undertaken to establish the costs of the new single customer services/reception area to include innovative use of information technology, for which provision should be made from the existing allocation of funds within the capital programme;
- (5) That a Customer Relationship Management System be developed and deployed to provide accurate and timely information to enquires;
- (6) That any such Customer Relationship Management System be capable of providing accurate management and monitoring information, not only to meet the requirements of N14, but also to drive customer satisfaction levels higher;

- (7) That the results of the Forester consultation be considered by the Overview and Scrutiny Committee prior to any fundamental design changes or content;
- (8) That the establishment of a Corporate Customer Services front office model, such as "Contact Harlow", be pursued by the Council in order to complete the maximum number of enquiries and transactions at the first point of contact; and
- (9) That the Corporate Customer services facility be achieved by the utilisation of existing staffing resources being brought together to become "generalists" as per the 'Contact Harlow' model.

Whilst recognising the need to improve Customer Services, the Portfolio Holder for Finance and Performance Management advised the Cabinet, that it was prudent for the Council to avoid growth of the Continuing Services Budget. He stressed the importance of this given the Council's Medium Term Financial forecast, which requires significant levels of efficiency savings to bring the general fund budget back into balance, over the next few years.

In the event, whilst the Cabinet agreed to provide additional resources to the Website, by means of an additional member of staff on a fixed term contract, (funded by the District Development Fund), they were not prepared to agree any of the other recommendations. Instead, the Cabinet requested that the Task and Finish Panel further prioritise the remaining seven recommendations (Nos. 3 to 9) for further consideration.

At their meeting of the 2 June 2009, the Overview and Scrutiny Committee agreed to disband the Customer Transformation Task and Finish Panel, and place the outstanding piece of work requested by the Cabinet, with the Finance and Performance Management Standing Scrutiny Panel. The Panel amended its terms of reference accordingly at the last meeting on the 25 August, 2009. As per the original Cabinet request, the Panel is now asked to prioritise the remaining recommendations.

Issues for consideration

Members of the Panel will observe that the remaining 7 recommendations cover four areas for improvement i.e.

- Recommendations 3 and 4, related to the creation of a single reception/customer services area at the Civic Offices.
- Recommendations 5 and 6 relate to the development and deployment of a Customer Relationship Management System, which would also meet the needs of NI 14.
- Recommendation 7 relates to reporting the findings of the Survey on the future design and content of the Forester, to Overview and Scrutiny Committee.
- Recommendations 8 and 9 relate to the establishment of a bespoke Customer Contact Centre, along the lines of "Contact Harlow".

With respect to Recommendation 7, a report on the future of the Forester was considered by Overview and Scrutiny Committee on the 2 June 2009. This has led to improvement to the design and layout of the Forester and also to the method of distribution. The next agreed stage with respect to the Forester, is to seek new competitive tenders for printing and also to explore outsourcing of some of the editorial responsibilities. On this basis, there are, therefore, only 3 outstanding areas to consider:

1. Single Reception Point at Civic Offices

The current situation of multiple reception points at the Civic Offices in Epping, with their associated issues of poor access for people with disabilities and lack of privacy for

confidential discussion, was identified as a significant issue in the Customer Services Task and Finish Panel Review (see Topic 2, P13 in Final Report attached).

As there is currently some £2.2 million within the Capital Programme earmarked for Customer Transformation, there is sufficient resource to undertake the necessary building works. However, in the intervening period the Council has adopted a policy that capital expenditure should only be incurred where there is a demonstrable revenue benefit. Whilst some rationalisation of staff may be possible through such an initiative, the financial benefits are not clear.

In addition, the Performance Assessment Review recently undertaken by District Audit, as part of the Council's CAA Organisational Assessment, made a judgment that access to services could be improved, particularly for those living in the more deprived areas of the District, by reducing the reliance on the need to travel to Epping to undertake business, with the Council, i.e. Housing Benefit applicants.

Whilst there would be advantages in terms of ease of access for people with poor mobility (when they reach the Civic Offices) and better confidential interview arrangements, this must be viewed against the level of capital cost likely to be incurred, the public's perception of this level of expenditure in the current economic climate, and the wider geographical access point raised by District Audit.

2. Customer Relationship Management System/NI14

National Indicator 14 (NI14) is a new national performance indicator, introduced in 2008/09 by Central Government. NI14 is designed to measure the level of avoidable contact experienced by customers of the Council. Whilst the Audit Commission does not recommend the setting of annual targets, clearly the reduction of avoidable contact is an aspiration for the Council, in order to improve customer satisfaction and efficiency.

In 2008/09 seven service areas were included as part of the analysis. The results were reported to the Customer Transformation Task and Finish Panel on the 30 April 2009. (See Report attached).

Whilst it was discovered that avoidable contact for the Council as a whole was 26.9%, telephone contact was the main area of weakness running at 36%. The current deficiencies within the Council's telephone system were again highlighted by the Task and Finish Panel as part of their review, particularly the number of lost calls and the antiquated nature of the Council's current switchboard. (Topic 3, P15 of Final Report).

Clearly, once avoidable contact issues have been identified, the opportunity exists to undertake remedial action to improve performance. To this end, an officer working group has been established comprising of key officers from across the Service Directorates responsible for collecting the data. In addition, as part of this year's Management Development Programme, one of the groups has been tasked with identifying how N14 performance could be improved.

Notwithstanding the outcome of the reviews, in discussion with the Director of Finance and ICT, there is clearly a need to improve telephone call-handling. However, as a basis for any improved telephone system incorporating customer relationship management (CRM) technology, there is a requirement for the Council to move to a common property database or Gazetteer. At present this is being rolled out across the Council with Planning Land Charges and Electoral Services now installed. Environment and Street Scene will be coming on-line by mid 2010 and Housing Services by 2013, when it is hoped to replace the Housing Management System.

In addition to the property database, a common document management system is a pre-requisite of a CRM System. "Information at Work" has been installed in Planning

and Benefits, with Land Charges shortly to go live. Again Housing and Environment are due to be rolled out over the next 18 months.

It would not be possible to install an efficient CRM System until these important building blocks are in place. However, there would be advantages to CRM once this is achieved.

However, in the short term, there would be an opportunity to invest in the telephone exchange system which has limited automated functionality and is badly located with poor working conditions. Ideally, additional staff resource is required to supplement the two switchboard operators particularly at peak times, such as the time of issue of Council Tax demands and the Summer Refuse Collection changes.

3. Customer Contact Centre

The Task and Finish Panel had the opportunity to visit "Contact Harlow", Harlow Council's One Stop Shop. (See Topic 6, P19 of Final Report).

Whilst in practice there are potentially a range of customer benefits from the establishment of a contact centre, many of the same arguments around affordability apply, as were relevant to the review of reception points. This is particularly true given the amount of redeployment, retraining and other staffing changes necessary, which would require additional resources. These additional resources are unlikely to be readily available within the period of the current medium term financial strategy.

However, as part of recent discussions with neighbouring authorities around joint working, the opportunity has been taken to seek Harlow Council's view around whether there is scope for a shared service initiative with "Contact Harlow". As yet, a response has not been received. However, if there was spare capacity at Harlow, this may be a way forward in terms of delivering some of the benefits of a Contact Centre in a more cost-effective manner.