

## **Report to the Cabinet**



**Epping Forest  
District Council**

**Report reference: C/038 /2005-06**

**Date of meeting: 5 September 2005**

**Portfolios: ICT and Corporate Support Services**

**Subject: Corporate Customer Contact Centre – Scoping Study Report**

**Officer contact for further information: A J Scott (4457)**

**Committee Secretary: G Woodhall**

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### **Recommendations/Decisions Required:**

- (1) That the adoption of a Customer Service Transformation Programme (CSTP), spearheaded by a Corporate Customer Contact Centre is, in principle, the preferred option for the Council.**
- (2) To note and agree the findings and budgetary implications of the Corporate Customer Contact Centre scoping study undertaken by Steria Ltd. (Circulated Separately);**
- (3) That a report be made to Council to pursue the implementation of a CSTP as a matter of policy, spearheaded by a Corporate Customer Contact Centre;**
- (4) That external consultants be appointed to support the authority with the development of Project Initiation Document (PID) for the CSTP, specifically:
  - (a) Programme and change management;**
  - (b) Business process re-engineering support;**
  - (c) Staff selection, recruitment and training;**
  - (d) System software configuration; and**
  - (e) Technical and integration services;****
- (5) That the Government approved and encouraged S-Cat pre-competed method of procurement for this programme be pursued in preference to the normal requirements of Contract Standing Orders; and**
- (6) That the further reports detailing the specific CSB, DDF and Capital budgetary requirement for this project to include the accommodation and additional staffing costs which were excluded from the consultants report be reviewed by the Portfolio Holder in consultation with the Standing Scrutiny Panel on ICT and E Government with a view to further recommendation being brought forward.**

### **Views of the Scrutiny Panel:**

The ICT and E Government Panel suggested the clarification of recommendation (4) to indicate that the appointment of consultants was to develop the PID for the Programme in the first instance. This change was accepted by the Portfolio Holder who was present at the Panel meeting. See also comments under consultation

## **Report:**

1. In November 2004 the Council appointed Steria Ltd to undertake a scoping study of the budgetary implications of moving forward the corporate aim of introducing a customer contact centre. The study, that has now been completed, would assist the Council in establishing the outline costs and benefits and so support the Council in making a clear decision on how best to proceed.

### **Steria Scoping Study - Summary**

2. The following sections summarise the findings of the consultants report (circulated separately).

#### **(a) CPA Background**

3. It is clear that the Council needs to address the ambitions set out in its various e-Government strategies and statements. Most of these ambitions relate to improved customer services and putting the customer "first" in terms of the way direct services are delivered. During the Council's CPA inspection the Audit Commission raised the issue of the outstanding strategic aim of implementing a customer contact centre and as a result the Council agreed to give this project a high priority status.

#### **(b) Improvement Needs**

4. The main aims of a modern local government customer contact centre are to improve the customer's experience of using all service areas of the Council. Specifically the Council should improve its performance on:
  - (i) Answering only 3 out of 10 customer telephone calls;
  - (ii) Transferring customers from one department to another;
  - (iii) Implementing a consistent telephone answering standard, training every member of staff and measuring compliance;
  - (iv) Enabling customers to access the majority of Council services at a single ground floor reception area at the Civic Offices; and
  - (v) Extending opening hours to meet customer demand.

#### **(c) Customer Improvement Programme**

5. The Council has committed itself to improving customer service for at least three years and should now seek to achieve that objective. The benefits of a *Customer First* programme fall into three areas:
  - (i) First class customer service - Better access to Council services; high quality and consistency of customer contact; closed-loop management of enquiries; single view of customer history;
  - (ii) A more efficient authority - Increase back office productivity by answering enquiries in front office and using workflow to ensure process compliance; manage costs by sharing resources (staff, facilities, ICT)

(iii) Information for members and officers - Trends in demand (by service/volume/time); pinpoint hotspots; ward level analysis; early warning of service issues; customer management costs; access channel usage/costs; compliments & complaints analysis

**(d) Programme**

6. The programme of work being recommended would start an authority wide transformation project that will take two to three years to fully implement, but would see an improvement in customer service across the whole authority within the first year.
7. The first area of change would be the front office of the authority, as this will make an immediate difference to the customer. The more complex back office process re-engineering would be left to the later stages of the project to allow “quick wins” to herald the new approach. The Council would use a ‘broad and shallow’ approach to this first stage and this may affect the roles of up to 150 existing staff. It would be essential that a Customer Services Manager be in post to oversee this first stage of the project.

**(e) Staffing**

8. Based on the volume of calls answered by the Council (1.3m per annum), it is estimated that the Authority will require a staffing level of 35-45 for its customer contact centre and this would require the allocation of approximately 300-350 square metres of office space. The size of the ‘one stop shop’ general reception area, cash receipting area and the number of interview rooms will need to be determined during the project initiation stage and have not been calculated as part of this report.

**(f) ICT Investment**

9. During this first stage there would be a significant investment in the supporting ICT infrastructure. This would include Customer Relationship Management System (CRM), PC’s, networking and telephony equipment. The Council has recently agreed a new staffing structure for its ICT service and therefore the human resources requirement for this element of the programme should shortly be in place.

**(g) Specialist Support**

10. The first stage would also require a number of specialist implementation services including:
  - (i) Programme and change management;
  - (ii) Business process re-engineering support;
  - (iii) Staff selection, recruitment and training;
  - (iv) System software configuration; and
  - (v) Technical and integration services.
11. The provision of these services has been included in the cost estimates and is based on a combination of external and internal staff resources being dedicated to this project. The Council will need to consider carefully the mix of external versus internal resource provision in greater detail during the production of the detailed implementation plan.

## **(h) Business Case**

12. Although the Council has not produced a direct business case to back this proposal it is clear from both the National CRM project and the experiences of local Councils in Essex that there are many benefits to be gained from taking this strategic direction. These benefits cover a whole range of customer and business issues from quality of service and increased productivity and efficiency through to democratic engagement and better social inclusion.
13. The consultants report (circulated separately) covers in greater detail all these elements and includes a breakdown of the estimated resource implications. Although this is an ambitious programme for any Authority, particularly one that has experienced some difficulties with change, it is within the Council's capability and it would allow for other key strategic issues to be addressed as part of its implementation.

## **(i) Procurement**

14. Should the Council decide to move forward with this project it is clear that the Council would need to procure many different goods and services. In order to accelerate this process it is being recommended that the Council make use of the Office of Government Commerce (OGC) S-Cat procurement framework. S-Cat is a catalogue based procurement scheme to provide public sector organisations with a simplified means of procuring, and contracting for a wide range of consultancy and specialist services from a variety of service providers.
15. An S-Cat procurement method would benefit the Council in the following ways:
  - Compliance with EC procurement regulations
  - Ability to call-off urgent requirements quickly
  - Very competitive fee rates available to all users
  - Choice of Service Providers and consultants
  - Easy ordering based on standardised procedures
  - Sound contractual protection
  - Electronic Commerce facilities

## **Options for action:**

16. In order for the Council to now take a positive approach to its e-Government agenda, Members and Officers need to move forward with a single vision for change and one that is clearly focussed on a much better experience for the customer of Council services. This vision for change could be drawn around a customer service transformation programme that is spearheaded with a corporate customer contact centre. A decision now needs to be made for its implementation and the change of its status from a possible medium term goal to a current corporate priority.
17. The Council could choose not to implement a corporate customer contact centre, and simply enhance customer services with better use of technology. This could include the implementation of a CRM system to link all Council Services together to share customer data and provide a single view of the customer to executive management and Members. This option would not however make the most effective and efficient use of staff resources nor allow for easily managed extended hours of service. The customer would also still need to know what part of the authority is relevant to their enquiry. The technology costs for this approach would be similar to that of a fully implemented corporate customer contact centre.

18. The Council could remain with its existing approach to customer services and not invest in either CRM technology or a customer contact centre. This option would be completely out of line with all other Essex Local Authorities and its existing ICT Policy.

**Statement in support of recommended action:**

19. The ODPM has linked this years (2005/6) grant directly to the “priority outcomes” and is expecting that last years allocation of £350,000 plus the allocation of £150,000 in 2005/6 is used to assist in the delivery of all 29 “required” outcomes by March 2006. The Council is currently considering through its Overview and Scrutiny function the allocation of e-Government projects to this additional £500,000 of capital grants and it would seem appropriate for a large proportion of this capital to be used to assist in the financing of the Council’s Customer Service Transformation Programme.
20. ECC are currently implementing their customer contact centre and phase one started operations in April 2005. This has provided a single access point for all Essex Citizens to the full range of ECC services. Now that this Council is electronically linked to both the data and voice networks of ECC it would be possible to provide a fully joined up service between both contact centres in the future. Indeed the Essex Council’s referred to in the consultants report are already planning for this capability. This will allow for fully integrated, shared and consistent information/transactional resources across all Essex Councils.
21. Epping Forest District Council must now move quickly and decisively into the arena of a customer first approach and into customer contact centres as a first step in order to participate in the currently emerging drive towards both Essex and regional wide based services. The Council has been taking a sensibly cautious approach to this subject for the past three years, but now with most Essex Districts implementing such centres and the Council having reached a point where it has a number of key strategic issues to address, a corporate Customer Contact Centre would drive through the Council the required change in attitudes towards customer service and give the Authority chance to regain a true corporate direction to the provision of a ‘customer first’ council.

**Consultation undertaken:**

22. Discussions on the future implementation of a Council customer contact centre have been made with the following groups:
  - informal briefing for all members of EFDC
  - Cabinet
  - Management Board
  - Accommodation Working Party
  - Senior Management Team
  - Essex Online Partnership
  - ICT and E-Government Working Group
23. Consultation with the Overview and Scrutiny Panel has been conducted both informally and at a meeting of the Panel. The current report has been submitted to the Panel and their views are contained below. The detailed work on taking the project forward is proposed to be undertaken by the Portfolio Holder in consultation with the Scrutiny Panel.

**Views of the Scrutiny Panel:**

The Panel have considered this report and agree the general approach being adopted. They make the following specific points:

The ICT and E Government Panel suggested the clarification of recommendation (4) to indicate that the appointment of consultants was to develop the PID for the Programme in the first instance. This change was accepted by the Portfolio Holder who was present at the Panel meeting.

The Panel also considered that if the Council were to proceed:

(i) There needs to be definite proposal to inform staff about change via corporate sessions; and

(ii) That a HR Strategy for staffing matters should be addressed at an early stage.

**Resource implications:**

**Budget provision:** IEG Grant 2004/5 and additional Capital, CSB and DDF expenditure  
(see recommendations)

**Personnel:** Nil

**Land:** Nil

**Community Plan/BVPP reference:** Council Plan ref 92

**Relevant statutory powers:** None

**Background papers:** Cabinet Report on Customer Contact Centre, IEG Statement, Corporate ICT Strategy

**Environmental/Human Rights Act/Crime and Disorder Act Implications:** None

**Key Decision reference:** Forward Plan 2005/6