

Report to the Council

Committee: Cabinet

Date: 27 September 2005

Portfolio Holder: Councillor S Metcalfe

Item: 5(b)

1. CORPORATE CUSTOMER CONTACT CENTRE - SCOPING STUDY REPORT

Recommending:

That the implementation of a Customer Service Transformation Programme (CSTP) be pursued as a matter of policy, spearheaded by a Corporate Customer contact centre.

- 1.1 In November 2004, the Council appointed Steria Limited to undertake a scoping study of the budgetary implications of moving forward the corporate aim of introducing a customer contact centre.
- 1.2 The Cabinet has received that study and is reporting on the issues arising.

CPA Background

- 1.3 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.

Improvement Needs

- 1.4 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 needs to improve its performance on:
- (a) answering customer telephone calls;
 - (b) transferring customers from one service to another;
 - (c) implementing a consistent telephone answering standard, training every member of staff and measuring compliance;
 - (d) enabling customers to access the majority of Council services at a single ground floor reception area in the Civic Offices; and
 - (e) extending opening hours to meet customer demand.

Customer Improvement Programme

- 1.5 The benefits of a customer first programme fall into three areas:

- (a) 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;
- (b) a more efficient authority; increased back office - productivity by answering enquiries in front office and using workflow to ensure process compliance; managed costs by sharing resources (staff, facilities, ITC);
- (c) 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 and complaints analysis.

Programme

- 1.6 The programme of work being recommended will start an authority-wide transformation project that will take two to three years to fully implement, but will see an improvement in customer service across the whole authority within the first year.
- 1.7 The first area of change will 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 will be left to the later stages of the project.

Staffing

- 1.8 Based on the volume of calls answered by the Council (1.3 million per annum), it is estimated that the authority will require a staffing level of 35-45 for its customer contact centre and this will 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 has not yet been calculated.

ICT Investment

- 1.9 During the first stage there will be a significant investment in the supporting ICT infrastructure. This will include customer relationship management system (CRM), pcs, 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.

Specialist Support

- 1.10 The first stage would also require a number of specialist implementation services including:
 - (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

- 1.11 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.

Business Case

- 1.12 Although a direct business case has not been produced to support this proposal it is clear from both the National CRM Project and the experiences of other 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 equality of service and increased productivity and efficiency through to democratic engagement and better social inclusion.

Procurement

- 1.13 If the Council decides to move forward with this project it will need to procure many different goods and services. In order to accelerate this process it is proposed that use be made of the Office of Government Commerce (OGC) S-Cat procurement framework. This 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.
- 1.14 An S-Cat procurement method would benefit the Council in the following ways:
- (a) compliance with EC Procurement regulations;
 - (b) ability to call-off urgent requirements quickly;
 - (c) very competitive fee rates available to all users;
 - (d) choice of service providers and consultants;
 - (e) easy ordering based on standardised procedures;
 - (f) sound contractual protection; and
 - (g) electronic commerce facilities.

Options for Action

- 1.15 In order for the Council to 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 of change could be drawn around the Customer Service Transformation Programme that is spearheaded with a corporate customer contact centre. The 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.
- 1.16 The Council could choose not to implement a corporate customer 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 more 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 for fully implemented corporate customer contact centre.

- 1.17 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 Recommendation

- 1.18 The Office of the Deputy Prime Minister has linked this year's (2005/6) ICT grant directly to the "priority outcomes" and is expecting last year's allocation of £350,000 plus the allocation of £150,000 in 2005/06 to be used to assist in the delivery of all 29 "required" outcomes by March 2006. The Council is currently considering through Overview and Scrutiny, the allocation of E-Government projects to this additional £500,000 of capital grants and it would seem appropriate for a large portion of this capital to be used to assist in the financing of the Council's Customer Service Transformation Programme.
- 1.19 The ICT and E-Government Overview and Scrutiny Standing Panel agree with the general approach being recommended. The Panel has emphasised the need to inform staff about change via corporate sessions and for an HR strategy for staffing to be addressed at an early stage.
- 1.20 Essex County Council is currently implementing its customer contact centre and Phase 1 commenced in April 2005. This has provided a single access point for all Essex citizens to the full range of County Council services. Now that this Council is electronically linked to both the data and voice networks of the County Council it would be possible to provide a fully joined up service between both contact centres in the future.
- 1.21 The District Council needs to move quickly and decisively into the arena of a customer first approach and into a customer contact centre as a first step in order to participate in the currently emerging drive to both Essex and Regional wide services. The Council has been taking a sensibly cautious approach to this subject for the last 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 required change in attitudes towards customer serve and give the authority a chance to regain a true corporate direction to the provision of a "customer first" Council.

Finance

- 1.22 Further reports will be submitted detailing the specific CSB, DDF and capital budgetary requirement for the project, including the accommodation and additional staffing costs.

NOTE:

The report to the Cabinet included a statement that the Council answered only three out of ten customer telephone calls. This was an error in the report and should have referred to the failure to answer three out of every ten customer telephone calls.