

Report to the Cabinet

Report reference: C/021/2006-07.

Date of meeting: 10 July 2006.



**Epping Forest
District Council**

Portfolios: Customer Services, Media, Communications & ICT.

Subject: Customer Services Transformation Programme - Programme Plan.

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Recommendations:

(1) That the Programme Plan for the implementation of a Customer Services Transformation Programme be approved;

(2) That, as described in the Programme Plan and summarised below, the budgetary implications of the Customer Services Transformation Programme (CSTP) be approved;

Capital Budget	06/07 (£'000)	07/08 (£'000)	08/09 (£'000)	Total (£'000)
Phase 1 – 3 (Systems)	540	1,032	0	1,572
Phase 1 – 3 (Resources)	203	256	175	634
Totals	743	1,288	175	2,206

Continuing Service Budget	06/07 (£'000)	07/08 (£'000)	08/09 (£'000)	Total (£'000)
Phase 1 – 3	150	99	0	249
Totals	150	99	0	249

DDF Budget (Revenue)	06/07 (£'000)	07/08 (£'000)	08/09 (£'000)	Total (£'000)
Phase 1 – 3 (Systems)	184	276	170	630
Phase 1 – 3 (Resources)	178	166	54	398
Totals	362	442	224	1,028

(3) That a CSB supplementary estimate for 2006/07 in the sum of £150,000 be recommended to the Council for approval;

(4) That a DDF supplementary estimate for 2006/07 in the sum of £362,000 be recommended to the Council for approval;

(5) That the prior agreement of the Capital element as part of the Capital Programme for 2006/07 be noted; and

(6) That the Customer Services, Media, Communications and ICT Portfolio Holder be authorised to:

(a) take responsibility for the implementation of the Customer Service Transformation Programme within the agreed budget and policy framework; and

- (b) provide formal progress reports to Cabinet and Overview and Scrutiny Committee at quarterly intervals or as required.**

The Customer Services and ICT Panel considered this report at their meeting on 12 June 2006. The Panel's comments are contained within the Consultation section of this report.

Background:

1. In September 2005 the Council endorsed the findings and implications of the Corporate Customer Contact Centre scoping study by Steria Ltd. and commissioned external consultants (Foresight Consulting Ltd.) to develop a Programme Plan for the implementation of a Customer Services Transformation Programme (CSTP) to address those findings, improve performance and improve customer service for the residents of Epping Forest District. In commissioning the plan the Council were mindful of the comments of the Audit Commission CPA inspection regarding the outstanding strategic aim to implement a customer contact centre.
2. The main aims of the CSTP are to improve the customer's experience of using all service areas of the Council. Specifically:
 - The authority must significantly improve on its record of failure to answer 3 out of 10 customer telephone calls.
 - When calls are answered, customers are sometimes transferred from one department to another.
 - The authority should implement consistent telephone answering standards, train every member of staff and measure adherence.
 - The authority should enable customers to access the majority of services in a single ground floor reception area at the Civic Offices.
 - The authority should extend opening hours to meet customer demand.
3. The benefits of implementing the CSTP fall into three areas:
 - 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
 - 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)
 - 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

4. Project management principles and governance have been applied to the process and the Programme Board and the ICT and e-Government Overview and Scrutiny Panel have overseen progress to date.
5. The programme plan has now been completed and has been circulated to members of the Cabinet for consideration.

Executive Summary of the Programme Plan:

6. The ambition of the CSTP is to put the customer at the heart of the Council's activities and to create an organisational model and a culture to support and deliver that philosophy. This can be achieved through development of a front/back office structure and the creation of a dedicated customer services operation providing ever increasing levels of first time resolution of customers' enquiries together with a transformational staff training programme and improved access via all the main customer contact channels – face-to-face, telephone and electronic, e.g. the web site offering low cost access to services at times and in ways to suit customers e.g. online 24/7. The plan is specifically designed to deliver a new telephone contact centre and a new one stop shop and improved experience for personal callers to the Civic Offices. The plan addresses the organisational and accommodation change issues required by such a programme, as well as the infrastructure and technology projects essential to support the ambition.
7. The Plan is also designed to understand the potential changing local government landscape and put the Council in a position where it can be flexible and respond appropriately.
8. The programme plan has been informed by the meetings of the Programme Board, interviews and discussions with Heads of Service, Senior Managers and other staff, together with a half-day workshop involving the Programme Board, and over 40 Senior Managers and other staff.
9. The interviews revealed a strong sense of engagement with the programme, and in particular definite support for the creation of the corporate telephone contact centre and the rationalisation of all reception points into one place on the ground floor.
10. All Heads of Service volunteered processes and enquiry types for transfer into the contact centre and agreed that the front/back office approach was the way forward, providing it was done well and that, where existing customer satisfaction was very high (e.g. Housing), that this should not be compromised.
11. The Plan promotes a phased approach to implementation with bite sized chunks of work digestible to the organisation and customers with an early emphasis on getting the corporate telephone contact centre up and running in advance of the new reception area. (Acknowledging that the key findings of the Steria report majored on the Council's performance in handling telephone calls) The telephone contact centre will initially deal with enquiries for Revenues, Environmental Services and Housing Repairs and then evolve and grow through Phases 2 and 3. It also provides for the integration of the main switchboard function into the telephone contact centre and the creation of "one number to call for EFDC services"
12. The accommodation works are dependent on the preferred total solution yet to be agreed and are shown commencing in Phase 2, the location of the contact centre having been previously agreed. This phased approach is essential bearing in mind

the requirement to continue business as usual whilst changes are proceeding and the health and safety implications for the authority in attempting to execute construction work in an occupied building.

13. The creation of the telephone contact centre and new one stop shop are just part of the Council's wider ambition to improve customer service and access to services. Phase 2 looks at all the ways that customers contact the Council particularly the Information Centres and Housing Offices.
14. Phase 3 sees the transfer of all remaining processes and call types into the contact centre and the exploitation of the investment in customer services by raising productivity in the back office and by using customer information to inform management decisions and make more efficient use of resources.
15. This authority-wide CSTP represents a major step forward and financial investment for the Council. As already noted in the Steria report the Programme will require a careful and dedicated programme and project management system to manage all the interdependences between the individual projects and maintain momentum. The programme plan estimates that a capital investment of £2.2m is required over the plan period.
16. The Council recognises that it does not have the internal capacity or the expertise and experience to support and deliver all aspects of the programme. Therefore, it will need to look at other resource options, i.e. engaging either Consultancy or directly employed temporary staff on fixed term contracts. The Plan estimates a resource requirement of 2475 days and consultancy/contractors procurement would typically produce daily rates within the range of £250 to £750 per day all inclusive plus additional professional fees for Architects, Structural and Civil Engineers and Quantity Surveyors if works to the external staircase, front elevation of the building and re-arrangement of car parking eventually come within scope.

Statement in Support of Recommended Action:

17. Epping Forest District Council must now move quickly and decisively, 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, the Customer Services Transformation Programme will 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.
18. Whilst the current structure of local government is being questioned, the decision to create a corporate customer services operation appears to be robust under the following future scenarios:
 - (a) The current local government two-tier structure is maintained. Creating a modern customer services operation is consistent with the developments taking place in other local authorities. Front-line customer services staff can focus on helping customers, leaving back-office staff to focus on their professional or operational duties;

(b) Epping Forest District Council combines with one or more Districts to create a Unitary Authority. With many authorities already developing a front/back office model of operation, it will be easier to combine authorities. Back office functions can be merged, obviously rationalising procedures and taking the best from each operation. The face-to-face front-office operations will continue to service their local communities, and the contact centres can be merged. Combining authorities where there is no front/back office split would be more difficult, unless separate work had been undertaken to rationalise processes; and

(c) The Districts in Essex become the front-line customer facing function for all local government services, and Essex County Council provides the professional / operational back-office. As per the previous scenario, because of the work having taken place to separate front and back office duties such a transition would be easier than if it had not.

19. Other changes are already underway in terms of how Central Government expects a far more joined up delivery of public services. In May 2006 the ODPM and The Home Office launch wave 1 of the Single Non Emergency Number (SNEN).
20. The Single Non Emergency Number (SNEN) is a new service that will provide the public with direct access, through a new 3-digit number (101), to community safety advice, information and action, while freeing up 999 emergency call services to handle genuine emergency incidents.
21. The initial scope of the SNEN service has been developed through research with the general public, and in consultation with a wide group of stakeholders including local authority and police force partnerships. The core service will cover:
 - Vandalism, graffiti and other deliberate damage to property;
 - Noisy neighbours;
 - Intimidation and harassment;
 - Abandoned vehicles;
 - Rubbish or litter;
 - People being drunk or rowdy in public places;
 - Drug related anti-social behaviour; and
 - Street lighting.
22. The service will initially be launched in five areas and then rolled out in two further waves. The first wave involves Partnerships between police forces and local authorities in areas of Hampshire, Northumbria, Leicestershire, South Yorkshire and South Wales. The service will be available in these areas for the public in summer 2006. The second wave areas will start work during 2006 with the aim of launching in 2007 and the service will be available across England and Wales by 2008.
23. Essex Police and all Essex Local Authorities are now considering how they will introduce the SNEN service and which wave to be part of. Those authorities who already have customer service centres in place will find the introduction of the SNEN service easier to manage, but will also give their customers a consistent and timely response to the core services on offer
24. It is clear that the initial core services that are being rolled out with SNEN is going to be increased and the more services that are added the more difficult it would be for any local authority to respond unless they are corporately managing the customer service function and fully understand the expectations of a 21st century customer.

Other Options for Action:

25. In order for the Council to now take a more 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. The Customer Services Transformation Programme provides the vehicle and route plan that will make that vision a reality and will transform the way all Council Services interact with the customer, bringing them to the heart of the Council. The programme will deliver a customer services function dedicated to raising customer satisfaction with clear targets to improve customer service and improved access via all the main customer contact channels – face-to-face, telephone and electronic.
26. The Council could choose not to progress the Customer Services Transformation Programme Plan, but simply enhance existing customer services with better use of technology. This could include the implementation of a Customer Relationship Management 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 create a 'single customer hub' or one stop shop – where all services could be provided – nor make the most effective and efficient use of staff resources. 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 also be similar to that of a fully implemented corporate customer contact centre.
27. 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.

Consultation undertaken:

28. Discussions on the development of the Customer Services Transformation Programme have been made with the following groups:
 - Overview and Scrutiny Committee (see below);
 - ICT and e-Government Scrutiny Panel;
 - Cabinet;
 - Management Board;
 - Accommodation Working Party;
 - Senior Management Team;
 - ICT and E-Government Working Group; and
 - Heads of Service.

Views of Scrutiny:

The Customer Services and ICT Panel considered this report at their meeting on 12 June 2006. The Panel's comments are:

(1) The Cabinet should consider how the Council interacts with Parish and Town Councils once the Contact Centre is established;

(2) The Cabinet should consider how the customer facing aspects of main contractors (e.g. waste collection, leisure centres) will work to ensure that there is a defined 'hand-off' of enquiries, without customers being passed back and forth between the Council and the contractor and that the existence of the centre be taken into account

whenever future contracts are developed or renewed;

(3) That the Project Board give careful consideration to the separation of business and customer calls to ensure smooth implementation;

(4) The public information and relations aspects to the new contact centre should be included in the proposed implementation plan;

(5) There needs to be careful consideration to the type of staff that are to be employed in the contact centre, particularly not under-estimating the salaries of such staff;

(6) That the Head of Human Resources should bring forward his plans for staff consultation and plans for staffing aspects of the centre for the Panel to consider;

(7) That members of the Scrutiny Panel should be involved in any proposed visits to other authority contact centres;

(8) That it is important that the contract and programme plan for the programme be constructed in such a way to provide sensible 'break' points;

(9) That the Scrutiny Panel be involved in determining the 'customer experience';

(10) That the choice of consultants to the project is crucial to its success;

(11) That the report should give a greater idea of the gains in implementing the centre and give clarity to the key decision points of the programme; and

(12) That the Cabinet should consider recommending the supplementary estimates to the Council for approval in stages.

Resource implications:

Budget provision: ('000)

Existing Budget:

Capital Programme 2006/7	£743
Capital Programme 2007/8	£1,288
Capital Programme 2008/9	£175

Supplementary Estimate:

District Development Fund 2006/7	£362
District Development Fund 2007/8	£442
District Development Fund 2008/9	£224
Continuing Service Budget 2006/7	£150
Continuing Service Budget 2007/8	£99
Continuing Service Budget 2008/9	£0

(See recommendations and CSTP Programme Plan).

Personnel: See Programme Plan.

Land: Nil.

Community Plan/BVPP reference: Council Plan ref 92.

Relevant statutory powers: None.

Background papers: Corporate Customer Contract Centre – Scoping Study Report, 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.