

Customer Services
Salisbury District Council, Bourne Hill
Salisbury, Wiltshire SP1 3UZ

Officer to contact: Helen Frances
Direct line: 01722 434660
Email: hfrances@salisbury.gov.uk
Web: www.salisbury.gov.uk

Report

Report subject : Customer Service Integration 2006 - 2008
Report to : Cabinet
Date : 06 September 2006
Author : Helen Frances, Head of Customer Services
Cabinet Member for Resources : Cllr Don Culver

1. Introduction:

This paper outlines the current responsibilities of the Customer Service Unit, and the planned integration to enable the unit to take up its full responsibilities when the new centralised offices are opened. The proposal is to order the remaining integrations into two groups, to provide a clear and straightforward plan for councillors, staff and customers, and to minimise the organisational disruption associated with change.

Sections Two and Three précis the current position, including an analysis of the current shortage of resource to support the range of work being undertaken, and recommends that additional resource of 1 FTE is made available to sustain the areas of work in the table in section 3.

Section Four outlines the penultimate stage of customer service integration, including the bulk of the work associated with the Golden Numbers strategy. This will require the movement of £253,000 revenue into Customer Service from other Service Units to support the new responsibilities, as set out in the table in Section Four (Phase4).

Section Five outlines the final stage of customer service integration, to meet the aspirations set out in the Customer Access Strategy. This will require the movement of between £120,000 revenue into Customer Service from other Service Units to support the new responsibilities, as set out in the table in Section Five(Phase 5)

The variance in figures is explained in the options in Section Six.



Awarded in:
Housing Services
Waste and Recycling Services



2. Established Unit responsibilities and resources:

The Customer Service Unit (CSU) has now taken on a range of responsibilities from other units, most of which have been funded by budget transfer from other units. The process for this has included a review of the business processes and recommended opportunities for efficiencies for the major tasks. This means that for the main service areas the transfer of budget was on the basis of more efficient service delivery. The table below outlines these responsibilities.

Area of Responsibility
Front office delivery of Council Tax and Benefits
Front office reception at Bourne Hill
Post-handling, DX and original switchboard functions
Front office reception at Wyndham Road
Front office service at Mere and Amesbury
Front office delivery of Parking services
Environmental Service telephony
Front office delivery of Concessionary Fares scheme

3. Proposals to baseline service delivery

3.1. Internal

CSU has also taken responsibility for some new functions, such as Freedom of Information and ContactPoint, and is delivering more service with no additional resource, both for corporate functions such as telephone answering, and for some unit-specific functions as a result of customer "growth". Although the Unit fully expected to deliver "more with less" as part of the overall plan to achieve measurable efficiencies, the scale of those that have been absorbed to date is having a substantial impact on the efficient delivery of the whole service. This will be exacerbated considerably if the proposed extension of opening hours is introduced. In total the additional work equates to 2fte, but using the variation in workload that results from peaks and troughs in customer demand, the unit can absorb approximately half this effort, leaving a current shortfall of 1fte.

The new areas of responsibility are outlined below.

ContactPoint in Salisbury library
Peripatetic clinic in Downton
Increase in number of counter payments
Extended opening hours in Amesbury
Passport to Improved Service procedure
Developing FPC ¹ resolution on switchboard (currently 41%)
Corporate FOI procedure

3.2. External

Customer Service integration work at Salisbury has a number of interdependencies with the work carried out under the aegis of the Customer First Partnership, comprising all the Wiltshire Districts, the County Council and the Police Authority. SDC's contribution to the partnership was formerly paid from e-government funding, which expired in April 2006. However these costs are ongoing, and it is proposed that the SDC contribution to the ongoing costs of the partnership, £20k this year, rising to £30k in 2007/08, is managed in the Customer Service Unit budget from 2007/08. This is reflected as an additional cost in the table in section 6. The work programme for the Customer First Partnership is in Appendix One.

¹ FPC = "first point of contact; i.e. resolution of the customers' queries without having to transfer the call to another part of the council.

4. Proposals for integration of Customer Service: April 2007

This section outlines proposals to complete the seamless telephone contact centre, capable of resolving 80% of queries at the first point of contact with the professional standards and consistency set out in the Council's Customer Care Charter.

It will require considerable organisational change in order to introduce what is essentially a new approach to customer contact by phone, including a new range of numbers and new management arrangements to ensure that the key indicators of customer satisfaction are monitored and targets met. Golden Numbers will be introduced for a range of services, as set out in the Customer Access Strategy, and from April 2007 Customer Service Unit staff will handle calls to Golden Numbers for

- Environmental Service requests
- Planning enquiries
- Parking requests
- General Enquiries
- Council Tax requests

The remainder of Golden Numbers will be introduced in April 2008 (see section 5).

On best estimates at this stage, a budget equivalent to 10 staff will need to be transferred to Customer Service to manage this work. This excludes Council Tax, for which a separate piece of work is assessing the exact transfer of resource from Revenues and Benefits to Customer Service. This will be achieved through a straightforward virement of budget and is planned to complete before April 2007. It is not therefore included in the budget tables in section 6.

The table below outlines the areas of responsibility for transfer to CSU in April 2007.

New Areas of Responsibility
Parking Telephony
Planning Telephony
80% resolution at FPC for Golden Numbers

4.1. Additional Capital Costs

The Contact Centre system will require additional hardware and licences to handle the increased volume of calls that will be routed through to Customer Service Officers. Detailed costs will be pursued, but are likely to be in the region of £36,000. A budget will also be required to promote the new number range, inform customers and update existing publications, including vehicle livery and fixed signs. Outline costs for this work are £15,000. It is proposed that any related additional running costs will be found from other future savings within the Customer Services Unit.

5. Outline proposals for Phase 5: April 2008

Proposals to complete the integration of telephone service for the remainder of the Golden Numbers outlined in the Customer Access Strategy, plus an outline of work to integrate into Customer Service the face to face, e-mail and postal tasks associated with all the tasks in the Golden Number range, preparatory to the opening of the new offices.

5.1. Telephone and Postal responses

On best estimates at this stage, a budget equivalent to 4 staff will need to be transferred to Customer Service so that Customer Service Officers can respond to the full range of Golden Numbers, and take responsibility for responding to scanned mail for all the subject areas for which they are already providing a response by telephone, e-mail or face to face enquiries.

Work to ensure that processes are complete, that business delivery is not put at risk, and that resourcing is clearly identified, will, as usual, be undertaken by the Business Improvement Team, working with colleagues in ITCS, Personnel and Finance to ensure that a seamless transfer of staff,

tasks and resource is managed to ensure the best use of technology, compliance with personnel policies and auditable tracking of financial resources and potential efficiencies.

6. Impact on Council budgets

It should be noted that from the statistics and other evidence available, it is clear that there is “hidden” customer demand, as we know that there are considerable numbers of calls that are simply not being connected. This makes it difficult to assess the potential for more efficient ways of working, as it is possible that the hidden customer demand will require significant resource in some areas. Therefore, the work associated with this stage will be carried over at current resourcing levels.

There is a simple model, used in contact centre resourcing, that calculates the number of staff that are required to deliver service to different standards. Based on current volumes (the only evidence we have) Cabinet is asked to select the service quality from the following three options. For each type of service, queue length will determine waiting time. For example, the current average call length is 2½ minutes. Using the contact centre resourcing formula, it can be shown that the resourcing required to achieve an average queue length of 2 will mean that the average wait for service is 5 minutes. For a queue length of 4 this rises to an average wait of 10 minutes, and 15 minutes for a queue length of 6. If calls are more complex, or if more are resolved at the first point of contact, then clearly the length of the call will rise. The table below describes (in bold) the **average waiting times** based on 3 different queue lengths:

Average length of customer contact	Queue length = 2	Queue length = 4	Queue length = 6
2 ½ minutes	5 mins	10 mins	15 mins
3 ½ minutes	7 mins	14 mins	21 mins
5 minutes	10 mins	20 mins	30 mins

The queue length is determined by the number of staff available to handle enquiries, and the relative costs of the three options to deliver the work outlined in this report are as follows:

Avge queue length	Resource cost 07/08	Resource cost 08/09
2	£286k	£120k
4	£253k	£106k
6	£242k	£101k

As in previous stages of Customer Service integration, the transfer of work from disparate units to Customer Service will inevitably mean that there is a timing difference in council expenditure. This occurs because the manager of the originating unit requires a reasonable time period to make adjustments to staffing, which can only begin once the transfer of responsibility (to CSU) for agreed tasks has been completed. The preferred service quality level as shown in the table above will determine the size of the timing difference. Whilst in overall terms, there is breakeven in the overall council budget (at queue length = 4), the medium term financial strategy will be need to be updated to reflect these timing differences.

As in earlier stages of this programme, the Business Improvement Team will examine the processes relating to service delivery in the units from which responsibilities are being transferred in order to make recommendations for efficiencies. This will be done in advance of the transfer, so that the managers in the originating unit have clear plans to enable efficiencies to be realised as soon as possible after the transfer of responsibilities is complete. It is assumed for budgetary purposes, that the resource required to run transferred services is equal to the resource relinquished.

The impact on council budgets **based on a queue length of 4** is summarised in the table below, and with two additional rows (under OPTIONS) to show the cost variance if an average queue length of 2 or 6 was selected instead of 4. All figures are per £thousand

Financial Year	2006/07	2007/08	2008/09	2009/10
Current/Projected Budget	647	864	1216	1322
Shortfall	100			
Partnership contribution	20	10	0	0
Contact Centre licences	7	0	0	0
Additional post	24	0	0	0
April 2007 (Phase 4) (10 posts)		286		
April 2008 (Phase 5) (4 posts)			106	
Estimated Council Tax transfer	66			
Total CSU Budget	864	1216	1322	1322
Transfer from existing budgets in other units (Total Additional post and Phase 4 & 5)	66	-92	-100	-200
Savings identified in MTFS (including £50k in 2008/2009 from CSU)	-141	-78	-181	0
OPTIONS				
Cost variance to achieve a queue length of 2		33	14	
Cost variance to achieve a queue length of 6		-11	-5	
Capital Investment	634 (over 3 years)	51	0	0

Additional capital costs of £51k will be required in 2007/08 to pay for the expansion of the Contact Centre system. The revenue licence costs of £7k per year are shown above in addition to £30,000 per annum for the subscription to the Customer First Partnership.

7. Recommendations: It is recommended that:

- 7.1 Approve the appointment of an additional customer services officer at a cost of £24,000 including on costs.
- 7.2 Revenue costs of £157,000 (including the £24,000 in 7.1) be included in the resources portfolio plan for 2007/2008 to reflect the current cost of Customer Services.
- 7.3 Capital costs of £51,000 be included in the resources portfolio plan for 2007/2008 to reflect the new contact centre software and licenses and vehicle purchase
- 7.4 That Cabinet approve the planned migration of service to CSU at their preferred service quality level to be contained within existing budgets over the periods as shown in the above table in 6.

8. Implications:

- Key decision** : Yes
- Financial** : It is recognised that the current cost of customer services is £133,000 over the approved budget. By appointing a further member of staff, this will rise to £157,000. This will need to be reflected in the portfolio plan for 2007/2008. In addition, a capital bid of £51,000 will need to be included. Timing differences in internal budget transfers will need to be reflected in the MTFS, using reserves to forward fund transfers.
- Legal** : None
- Human Rights** : None
- Personnel** : Employee relations issues arising from this paper will be dealt with according to the appropriate policies and procedures applicable when the changes are required.
- Community Safety** : None.
- Environmental** : None.
- Wards Affected** : All.

Wiltshire Customer First Programme 2006-07

Programme purpose

The purposes of this programme are to:

- Enable the partners to deliver a better service to their customers by working together than they would be able to separately, in particular, to:
 - deliver a better customer experience and better customer service
 - improve customer access, especially for those who are currently excluded
 - support social inclusion and community cohesion
 - address services which are jointly delivered but which have low customer satisfaction
- Create capacity for the partners in the areas of access, customer care, service infrastructure and shared services
- Move resources to the front line by creating more efficient corporate and support services
- Champion the needs of the customer at a partnership-wide level and assist the partners in transforming themselves into customer focused organisations.

Programme approach

The 2006-07 programme comprises projects in the following groups:

- Customer care and access – joining up the customer interface to make it seamless and easy for the customer
- E-Community – implementing community facilities which improve access to electronic service delivery, especially for excluded groups
- Service delivery – implementing joined-up services across district and county “boundaries” or multiple districts
- Shared services – delivering infrastructure and service improvements, economies and efficiencies in corporate and support services
- Organisation/capacity development – improving our capability in leadership, governance, delivery, and community engagement

The resources for these projects will come from a mixture of external funding (Regional Centre of Excellence, GOSW, SWRDA, and ODPM, for example), shared cash investments by the partners, and in-kind investments by the partners including time and facilities.

Budget/resources position - summary

See draft budget on p4; the partners' membership payments cover programme management, programme support, communications, and deficits/on-costs for 05-06 projects being completed on 06-07. The partners have also allocated funds to cover two days per week of the WIP Project Manager's time.

Assuming that the WIP Project Manager begins in August 2006 and that all the creditor provisions are used, the partners have **£5K in cash and two days/week of the WIP project manager left to allocate** to partnership work.

I would recommend that both cash and time resources are applied initially to support either the CSMs collaboration (Partnership customer care and access improvements 06-07 project) or the Procurement Federation's shared service project (Partnership procurement of goods and services).

In my opinion, any additional (shared services) project work will require further resources to deliver beyond development of a business case. A provisional £30K (£50Kpa pro-rated from September to March) would cover the in-year costs of a full-time PM on fixed term contract (for example). Projects which such a PM would be expected to deliver would include: Building Control project, Fleet Management project, HR, Buildings and Property Services project, and Legal project.

Project	Timing of project	Costs	Funding	Status	RAG	Benefits
Customer care and access projects						
Partnership customer care and access improvements 06-07	July 2006 onwards	PM and partner effort, plus cash tbc on 5/7	Partners; first= call on free funds in 2006-07	CSMs presenting plans on 3 July 2006	n/a	Better customer services; cashable and non-cashable gains tbc on 5/7.
Single Non-Emergency Number	April-October 2006 (Wave 2 analysis)	£100,000	First phase fully funded: £100K from SNEN	Core	G	To access Wave 2 funding and support and to be able to provide a better service to citizens one year earlier
E-Community projects						
WiltshirePulse	Subject to funding	TBC but mix of external funding and effort	None at present	On hold until funds secured	n/a	Social inclusion, community cohesion, local economy, service transformation, leveraging previous investments eg Smartplace.
Service Delivery Projects						
Abandoned Vehicles	Completion in June 2006	£10,000	£10,000 from SBC	Core	A	Proof of concept for reportable incidents; service delivery gains.
Building control (shared service)	June 2006 – March 2007 subject to case.	Partner effort (case)	Partners and SW CoE	Business case development (due August 2006).	G	Better and more viable service
Grounds Maintenance and Street Cleansing	Throughout year. Completion Q2 2007.	£90,000	Fully funded: £90,000 from RCoE	Core	A	Better service with non-cashable gains; toolkit for other services improvement;

Project	Timing of project	Costs	Funding	Status	RAG	Benefits
Shared services projects						
Finance and internal audit services	Payroll transition by Nov 2006	PM and Partner effort	Partners	Core	A	Cashable and non-cashable gains to be quantified
Fleet Management services	Tbc	PM and Partner effort	Partners	Business case development (due Sept/ Oct 2006).	n/a	Better fleet services at a lower cost – gains to be quantified.
IT shared services (multiple projects)						
IT hardware procurement	Apr-Jul 2006	PM and Partner effort	Partners	Core	G	£30,000K pa
Shared support for shared software	Tbc	tbc	Partners	Business case development (starts July 06)	n/a	
Web hosting	Completion Jun 2006	Partner effort	Partners	Core	G	£20,000K pa
Partnership procurement of good and services		PM and partner effort	Partners; first= call on free funds in 2006-07			To be quantified; target £1M pa
Procurement of goods	Apr-Dec 2006			Core	A	Cheaper liquid fuels, paper, stationery, office furniture.
Contracts audit	Completion tbc				A	
Spend analysis	Completion tbc				A	
Organisation/capacity development						
Wiltshire Improvement Partnership project	Mar 06 – Mar 08. Spending split [FY] 1/3 – 2/3 approx.	£106,000	£106,000	Core	G	Improved capacity: member skills, performance management, equality and diversity

Draft Partnership Budget

Expenditure	£K	Comments
Programme manager and programme office	£80.3	Funded from 06-07 membership payments
Publicity and communications	£2.5	Funded from 06-07 membership payments
Projects		
Abandoned Vehicles	£10.0	B/f from 05-06
Shared A-Z	£2.4	Funded from 06-07 membership payments
SNEN - Wave 2 analysis phase	£100.0	External funding
Grounds Maint & Street Cleansing	£90.0	External funding
WIP Project	£106.0	External funding
For PM for Partnership projects (projects to be selected)	£15.0	Funded from 06-07 membership payments
Contingency pending resolution of CR provisions, etc.	£6.0	Funded from 06-07 membership payments
<i>Shared services PM (projects to be selected)</i>	<i>£30.0</i>	<i>From Sept 06 (£50K pro-rata); currently uncommitted</i>
Projects total	£359.4	
Expenditure total	£442.2	
Income		
Partner contributions		
Wiltshire County Council	£-20.0	
West Wilts District Council	£-20.0	
North Wiltshire District Council	£-20.0	
Kennet District Council	£-20.0	
Salisbury District Council	£-20.0	
Wiltshire Police	£-20.0	
<i>Further contributions for Shared Services PM</i>	<i>£-30.0</i>	<i>£5K per partner for balance of 06-07; currently unfunded</i>
Deficit b/fwd from 2005/06	£13.0	Funded from 06-07 membership payments
Contribution from CICTU outstanding from 05/06	£-4.3	To be confirmed by CICTU
Total	-£141.2	
Grants and other external funds		
Swindon BC's contribution to Abandoned vehicles c/fwd from 2005/06	-£10.0	
SNEN Wave 2 funds	-£100.0	
RCoE funds for Grounds Maintenance and Street Cleansing	-£90.0	
WIP project grant (2006-07 portion)	-£106.0	
Total	-£306.0	
Total income	£-447.2	
Balance	£-5.0	To be allocated