Report

Report subject	: Customer Service Integration 2006 - 2008
Report to	: Cabinet
Date	: 11 October 2006
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Cabinet Member	: 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 I 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 between £242,000 – £286,000 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 £101,000 - £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 quality options in Section Six.

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 Contact Point, 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.

Contact Point 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 1*.

4. **Proposals for integration of Customer Service: June 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 a 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 June 2007 Customer Service Unit staff will handle calls to Golden Numbers for

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

- 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 transfer of budget and is planned to complete before April 2007. It is therefore shown separately in the budget tables in section 6.

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

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. See *Appendix 2.*

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 ICTS, 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. The table in *Appendix 1* shows additional costs of £87k. This is made up of:
- Unavoidable licence costs of £7k per year
- £30k per annum for the subscription to the Customer First Partnership
- £100k start up costs (minus £50k to be recouped at office centralisation)

Members are asked to choose their preferred service quality based on average queuing time. The figures below are based on current volumes. Members should note that these are not 100% accurate. This is because the council cannot accurately baseline the volume of calls made to the council, but only those that reach the council switch. This excludes callers who obtain the engaged tone. By improving the access to telephone service using modern contact centre processes and technology, Local Authorities have experienced a growth in call volumes of as much as 18 – 30%. The percentage increase for Salisbury cannot be predicted with any confidence, and has therefore not been included in the financial table below. 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. For example, the current average call length varies between 1½ - 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 3 - 5 minutes. For a queue length of 4 this rises to an average wait of 6 -10 minutes, and 9 -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
1 ½ minutes	**3 mins**	**6 mins**	**9 mins**
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:

Average 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 at *Appendix 1.* The two additional rows (under OPTIONS) show the cost variance if an average queue length of 2 or 6 was selected instead of 4. All figures are per £thousand.

Additional capital costs of £51k will be required in 2007/08 to pay for the expansion of the Contact Centre system. Opportunities to achieve procurement efficiencies by linking this to the proposed updating of the Council's main switch (Ericsson) as part of the Office Centralisation project are being actively pursued.

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 £151,000 (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, licences and roll out of new numbers.
    7.4 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 (including the Partnership costs of £20k) is £127,000 over the approved budget. By appointing a further member of staff, this will rise to £151,000. 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.

			2006/07	2007/08	2008/09	2009/10	Cumulative
A	Transferred from other units	415					
B	Growth paid for from efficencies	232					
C	Current Budget	647	647	864	1127	1183	
D	Shortfall		100				
E	Partnership contribution		20	10			
F	Contact Centre licences		7				
G	TOTAL excluding in year staff transfer		774	874	1127	1183	
H	Reduction in posts (identified in MTFS)				(50)		
I	Additional post		24				
J	April 2007 (Phase 4) (parking, planning, General Enquiries)			253			
K	April 2008 (Phase 5) (4 posts)				106		
L	Estimated Council Tax transfer	-	66				
M	**Total CSU Budget**	**647**	**864**	**1127**	**1183**	**1183**	
N	Required Transfer from existing budgets in other units (Total over 4 years to equal I-L above)	(415)	(66)	(83)	(100)	(200)	
O	Base impact on total council expenditure in year	232	151	180	(44)	(200)	
P	Cashable Efficiency Savings recycled into Office Project				50		
Q	Cashable Efficiency Savings recycled into Customer Services	(232)		(137)			
R	**Recurring Revenue cost**	**0**	**151**	**43**	**6**	**(200)**	**0**
S	**Impact on reserves**		151	194	200	0	**545**
	OPTIONS						
T	Cost variance to achieve a queue length of 2			33	14		
U	Cost variance to achieve a queue length of 6			(11)	(5)		
V	*Capital Investment*	*634 (over 3 yrs)*		*51*	*0*	*0*	

Services areas in bold for inclusion in April 2008

Environmental Services, Pests and Refuse and Parks	1	Including: Rotas for waste collection, including Bank Holiday alterations; Special collections; Pest control requests; Sale of refuse sacks; Black box requests; Outbound licence applications for a range of ESU licences; Waste collection and recycling information; **Fault reporting; Parks queries, reporting and bookings; Dog fouling reports; Flood warnings and other emergency advice**
Parking services, permits and Concessionary Fares	2	Including: Concessionary fares applications, renewals and lost card replacements; Residents' parking applications, renewals; Residents' parking visitors' tickets, over-60 scheme and day tickets; Tradesmen's waivers; Contract parking – receipt of forms; Park & Ride info; PCN payments and queries; Season tickets
Housing Options and advice	3	**Including; Homelessness enquiries; Advice on housing issues; Housing waiting list and transfer list; Council house exchanges/Homeswap; Sheltered Housing enquiries; Private sector Housing information; Home energy efficiency enquiries; Right to buy enquiries**
Housing tenant enquiries	4	**Including: Rent enquiries and payments; Checking rent statements; Council garage applications**
Planning and development Services	5	Including: Information about planning application process; Planning permission/building regulations checklist; Copies of current planning applications; Information on current status of planning enquiries; Conservation area info; Customer view and comment on planning applications; Building Regulations applications
General Enquiries	6	All general enquiries and signposting for customers; Booking appointments with Salisbury District Council officers; Requesting copies of Council policies, strategies, agendas and other public documents; **Requesting application forms for council services**

Electoral registration and Elections	7	**Including: Outbound proxy and postal vote applications; General queries on council meetings; Councillor and council contact details; Committee dates and information; Outbound copies of council papers to public, including archived agendas and reports;**
Housing Benefits	8	**Including: General Benefit enquiries: Landlord queries; Backdate requests; Arranging private interviews with Benefit Officers; Validating forms for other agencies (e.g. PDSA applications); Benefit case queries and information updates; Notice of death; Verification of customer documents for Benefits; Change of circumstances forms**
Council Tax and other financial enquiries	9	Including: General CT enquiries: Occupation of property; Final reminder notices; Exemptions; Attachment of earnings/benefits; Vacation of property; Application for CT discount; Payment arrangements; CT account queries and updates; Direct debit application forms;

Project	Commentary	Project RAG	Target completion	Benefits
Partnership programme				
Partnership portfolio 06-07	Main blocks of work in programme have broad agreement but these need clearer definition and some will need to be resourced by further investment, the majority of the funding for agreed Shared Services work has been agreed. Programme Initiation Document for 06-07 is remaining deliverable from this project.	A	Mar 06\n\nProgramme approval: May 06 SB\n\nProgramme PID Oct 06	Target = £1500K (was £500K)
Partnership purpose, vision, structures and forums	Constitution agreed and signed; WCFP has gone live as a legal entity. Amendment to constitution to be done. HR/change forum to be established; JR to meet HR forum in October. Procurement Partnership to agree Chair; IT Managers Forum elected Pete Barnett as Chair)	A	May (was Feb) 06	
Partnership expansion	Contact with SBC continues through 101 and CSM Forum – invited to join E-Forms Team. Good meeting with Peter Baxter of the Fire Service with scope to progress.	G	Mar 07	£tbd/year
Partnership extension	Good progress with Performance Managers on involvement in partners' core planning work where we have a partnership project. Asked IDeA to consider leading a workshop for the partnership's efficiency and performance managers.	G	Mar 07	Indirect – officer time
Communications and PR	Developing communication protocol, plan, and items for onward communication. Developing specification for brand/identity.	A↓	Mar 07 (on going)	
Capability improvement	Management Board agreed recommendations for improving programme management processes. Being implemented during Q3-Q4; this includes drafting guidance notes for people managing partnership projects. Benefits realisation approach being implemented – JR briefing efficiency and performance managers and partnership Project Managers	A↓	Mar 07	F, B, C delivery

Project	Commentary	Project RAG	Target completion	Benefits
Customer care and access projects				
A-Z of Services Directory	Interim support agreed in principle; to come into scope of shared IT support project.	G↑	Mar 06	£tbd; cust satis
Partnership customer care and access 06-07	Work halted by resignation of Project Manager; re-planning and re-resourcing under way. Charter and PID not to be presented in November.	A	Mar 07	£tbd; cust satis
Single Non-Emergency Number	See minutes of meeting on 19 September.	A	Oct 06	£tbd; cust satis
Service Delivery Projects				
Abandoned Vehicles	BVPI reports being tested across partnership. Approach made to Peter White to take over from JR as system lead for application.	A	Sept 06	£tbd; cust satis
Building control (shared service)	Excellent progress with strong strategic case to proceed. Requesting mandate to proceed to develop detailed business case.	G	Mar 08	
Grounds Maintenance and Street Cleansing	Project re-started on 29 September and PM for stage 2 appointed. Documenting work parcels and benefits for stage 2.	A	Mar 07	£400K approx; customer satis
Parking de-criminalisation	Gone live; no further reporting.	G	Sept 06	
Shared services projects				
Buildings and property services	Wiltshire CC, Police and Fire main participants. WCC to extend their buildings audit to include other partners.	A	tbc	Potential £000s
Finance and internal audit services	First key task is transfer of payroll to WCC (all remaining DCs) by early 2007, then banking contracts.	A↓	tbc	
Fleet Management services	Next workshop on 17 October. To invite Fire Service and possibly SBC also.	G	tbc	

Project	Commentary	Project RAG	Target completion	Benefits
Shared services projects (cont)				
IT shared services (multiple projects)				
e-forms procurement and implementation	Project Manager appointed and briefed; project team and board being mobilised. Information gathering continues and requirements stage to begin	A		
IT procurement	Hardware procurement – project closed; to report on benefits. IT software procurement paper to be developed by JR for MB in May 06 (R – not done).	G		£30K pa (HW procurement)
Secure network, email	In dialogue with WCC about completion. No recent progress.	G↑	Dec 06	Quality of service
Workflow procurement	Partnership approach to workflow (for present) agreed. NWDC and WCC purchasing application and arranging joint training.	G	Tbc	
Future IT projects	Shared support for common stuff approved in principle but needs PM.	A↑	Tbc	
Partnership procurement of good and services (multiple projects)				
Procurement of goods	Paper and stationery source agreed (Cheltenham Borough Council). Working actively on fuels but risk of getting caught up in other potential partner initiatives on fuel procurement.	G↓		
Contracts audit	Contracts audit completed by each partner; consolidation now rolled into SW RCoE project by Wiltshire Procurement Federation.	A↑	Mar 06 tbc	Potential £000s
Spend analysis	Spend analysis completed; consolidation now rolled into SW RCoE project by Wiltshire Procurement Federation.	A↑		
Future procurement projects	Joint e-marketplace application procurement and development of Buy Wiltshire website progressing with RCoE funding. To demo BuyWiltshire in October.	A↓		
Organisation/capacity development				
Wiltshire Improvement Partnership project	PM resigned and now re-resourcing. Scope challenges with respect to Performance Management have been resolved but may seek extra funding from LAA stakeholders as doing some work on their behalf.	A↑		

Project	Commentary	Project RAG	Target completion	Benefits
Unmobilised/on hold				
Authentication	Each partner to develop business case for authentication and e-payments solution. All have option to adopt Gov Connect.	G	On hold	Potential £2-300K
HR services	CE's do not regard this as a priority for WCFP. Met with SDC lead officer and head of HR at WCC regarding opportunities/way forward. To present at next HR forum in October.	A		
Legal shared services	CE's do not regard this as a priority. To place on hold.	A		
Online licensing	Steering Board requested one council to lead and others to follow but not straightforward in practice. Update to follow.			
Single business account	Programme to monitor connection to CRM projects. SBC taking part in this project, led by Economic Development.			

1. Budget Status	
Projects all funded to date. New budget management arrangements being introduced; spending on or within budget for all projects and for programme office.	
2. Risks & issues	
Programme communication (M↓ risk, H impact) Programme Support Office has begun to make progress in developing communication plans and content. **Resource and capacity (M risk, H impact)** Benefits of projects are at risk from lack of PM resources. Beginning recruitment of PM for Shared Services and re-resourcing PM for WIP and customer services project. **Programme support (M↓ risk, M impact)** Progress on implementing better project office and reporting tools but will continue to be slow until end 2006.	