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# Report

**Report subject** : Review of Costs and Savings of Improving Customer Service  
**Report to** : Cabinet  
**Date** : 13 December 2006  
**Author** : Head of Customer Services  
**Cabinet Member for Resources** : Councillor Culver

## 1. Introduction:

The Customer Service Integration Programme has been designed to deliver integrated customer service provision for a wide range of the council's customers. By building a team of high calibre customer service professionals the council aims to increase customer satisfaction, utilising efficient and effective ways of working and design services to meet the needs of customers via telephone, e-mail, letter and face to face. The purpose of this report is to provide a structured baseline to Customer Service costs and savings for future reporting. The programme has now been running for three years, and this report summarises the associated costs and savings to date, and summarises the identified savings yet to be achieved (inc £50k relating to the opening of the Contact Centre in the new offices).

## 2. Costs/Savings

The Customer Service Integration report to Cabinet in October 2006 outlined costs for 2005 - 2010, based on current business (i.e. excluding growth or reduction caused by unknown factors such as future legislation, customer demand or additional responsibilities). These were summarised in the budget table that is attached to this report as Appendix One.

## 3. Efficiency Savings

The Unit has taken responsibility for a range of functions that were formerly carried out by other units within the council, and has also taken on new areas of work in response to corporate priority or external requirements.

Table One summarises the agreed and authorised budget relating to transferred responsibilities:

Table One	£k Cost
<b>Customer Service Revenue (actual)</b>	
Existing functions	647
Shortfall	100
Partnership	20
Telephony	7
<b>Total excluding in year staff transfer</b>	<b>774</b>



Awarded in:  
 Housing Services  
 Waste and Recycling Services



Table Two summarises the value of new in-year responsibilities, funding for part of which was approved in the Integrating Customer Service paper to Cabinet in October 2006. The remainder of work has been absorbed within existing resources as a result of utilising peaks and troughs, improved business processes and new technology. It is shown here as an efficiency saving of £34k, or 4.2% of the total CSU staff budget:

Table Two	£k Cost
<b>Customer Service new responsibilities/work</b>	
Growth in customer base (Concessionary Fares)	10
<b>Customer Service improvements</b>	48
40% resolution at Switchboard	
Amesbury extended hours	
Downton peripatetic clinic	
Corporate Customer Service training	
Freedom of Information monitoring	
Passport to Improved Service development/monitoring	
<b>Value of total in year growth</b>	<b>58</b>
Internal efficiencies (more for less)	-34
<b>Funded in Year growth – Additional Growth</b>	<b>24</b>
<b>Total budget agreed for in year transfer</b>	

The sum of these two tables gives the total agreed CSU revenue budget for 2006/07 of £798k. This excludes Council Tax, the transfer date of which is still being discussed. However the figure and timing of this transfer will be, as already agreed, revenue neutral.

This report format is proposed as the basis for tracking future efficiencies and/or growth associated with Customer Service integration.

In addition Customer Service are working with North-West E-Government Group (NWEgg), Exchanging Information to the Public (EIP) and the SW Customer Service Managers Forum to agree a common public sector model for comparing access channel costs. We are also developing better management information within SDC to understand current demand, and provide baseline customer figures. Once we have a robust model for understanding costs, plus an analysis of the current volumes of customers, we will be able to analyse the impact of channel transfer from 2008/09. This will enable us to track efficiencies arising from “channel transfer” – moving customers away from high-cost access channels such as face to face service provision, to cheaper but equally effective service provision via self-service and the internet.

#### 4. Recommendations:

Cabinet is requested to:

- (1) Note the information contained within the report
- (2) Accept the totals in Tables One and Two as the baseline for future costs/savings reports.

#### 5. Implications:

**Financial** : None  
**Legal & Human Rights** : None  
**Personnel** : None  
**Community Safety** : None.  
**Environmental** : None.  
**Wards Affected** : All

Appendix One (from Customer Service Integration Report Oct 06)		2006/07	2007/08	2008/09	2009/10	Cumulative
A	Transferred from other units	415				
B	Growth paid for from efficiencies	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	<b>Total CSU Budget</b>	<b>647</b>	<b>864</b>	<b>1127</b>	<b>1183</b>	<b>1183</b>
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	<b>Recurring Revenue cost</b>	<b>0</b>	<b>151</b>	<b>43</b>	<b>6</b>	<b>(200)</b>
S	<b>Impact on reserves</b>		151	194	200	0
	<b>OPTIONS</b>					
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	<i>Capital Investment</i>	634 (over 3 yrs)		51	0	0