	Policy Finance and Development Committee	23 September 2014	Matter for Decision

Title: **Customer Service Transformation Programme Update**

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1 Introduction

1.1 Following the report to the Policy, Finance and Development Committee on 22 July 2014, this report updates Members on the progress being made in relation to the above programme.

1.2 At the meeting this Committee in July members resolved the following:

a. To endorse and support the Customer Services Transformation Programme.

b. That the preferred option for the Council was to relocate the main Customer Services operation into Wigston town centre supported by satellite facilities elsewhere in the borough.

c. Requested that firmer and more detailed costings be brought back to this committee.

d. Asked that a set of corporate customer service standards be worked up for wider consultation and then for future and final consideration by this committee.

1.3 It was also highlighted at that meeting that there was an absence of an overarching simple corporate vision for customer services for the Council.

On that basis it is proposed that the vision would be:

"For residents to feel valued, respected, listened to and taken seriously whenever they have contact with the Council.

The Council will achieve this by delivering a consistent and high level of customer service across the organisation. Residents will be able to contact the Council easily and conveniently and the customer service they receive will fulfil their expectations."

2   Recommendations

It is recommended that Members:

2.1 Agree to the lease of the identified premises and subject to the application for change of use being successful.

2.2 Agree the budget allocation of £157,000 from within the existing 2014/15 capital programme for the project.

2.3 Approve an additional net annual revenue budget of £45,000 for the service as part of the 2015/16 budget setting process.

2.4 The adoption of a corporate customer service "vision"

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3. Background

3.1   Residents' expectations of the standard of customer service that they expect to receive is constantly increasing. At present the Council is limited as to the level of customer service it will be able to provide for residents in the future. Some of the main barriers to this are:

a. The absence of a simple formally adopted and consistent Council wide vision. An initial suggestion is set out in paragraph 1.2 above.

b. The lack of a corporate customer relationship management system (CRM). Such a system would support the Council's proposed vision, above, by providing staff with details of each individual customer's information and history with the Council. This would enable staff to have this information readily at hand so they can have well informed conversations with individual residents which should then result in more consistent positive outcomes for those residents.

c. The limited capability of the Council's website which needs to undergo development to allow customers the option to transact and access services online 24/7.

d. The lack of e-Forms which prevents residents from being able to self serve how they would want and when they want to.

e. The physical limitations of the customer services area in the main council offices from an accessibility and privacy perspective which limits staff from providing a high quality sensitive customer service.

f. Not having the room to provide the ICT infrastructure and equipment for Customer Service Staff to be able to assist residents develop their own IT skills. This would then help them meet the challenges of embracing the national "Digital by Default" programme.

g. The lack of resource to be able to provide additional more focused support to the more vulnerable residents and those who don't use new technology.

h. A telephone system which now has the capacity and capability to support a high quality customer services operation but requires a clearer vision and more guidance in order to do so.

i. The logistical and operational difficulties in bringing all service areas from across the Council together to join up within one central transformation programme underpinned by a set of corporate customer service standards

3.2   The Customer Services Transformation Programme will enable these barriers to be removed. Residents will see the current service improved by -

a. The creation of a pool of flexible, highly trained staff, up skilled through a formal comprehensive development and training programme. This will allow the rotation of staff between front line face to face duties, telephony and admin duties allowing better management of peaks and troughs in the service and to give it greater resilience.

b. Through the use of an appropriate customer relations management system (CRM):
- The creation of customer histories and the capture of residents' feedback which will improve the understanding of customer demand and demographic profiling for all services and lead to improved performance information that can trigger service improvement. This should result in individual residents receiving more consistent positive outcomes
- Provide a database of information and forms to prompt front line staff to ask the right questions and to deliver consistent and accurate information to customers.

c. Updated alternatives for access to services such as:
- The completion of applications and forms online
- More immediacy in the reporting of incidents such as missed bins, graffiti and housing repairs
- Giving customers the option for assisted self serve within the contact centre.

- By the creation of "MyAccount" giving customers direct access to their council tax account or benefit claim (for balance or next payment due queries)

d. The creation of a new and better physical environment for customer contact in a more convenient location.

e. The provision of additional and focused support for those residents who can't and won't use new technology and those that can't but wish to.

f. The centralisation of call handling at the customer contact centre to ensure consistency and effective handovers. Call handlers will have access to a database of information to be used flexibly and intelligently allowing them to deal with all non-technical queries at first point of contact. This will help the Council to 'get it right first time' with a reduction in the incident of avoidable contact. There will also be a corporate handover protocol for when customers do have to be transferred to another member of staff.

g. This being a council wide rather than just a Customer Services programme and that it will be underpinned by a set of corporate customer service standards

4   Information

4.1   This report builds on all the information set out in the previous report to this committee of 22nd July 2014. As identified in that report there are a number of work streams which make up the whole programme. Set out below is the progress on some of those critical work streams:

4.2   Lease Negotiations

The Head of Corporate Resources has negotiated a lease for the identified premises on the following basis, which is a significant improvement on the terms initially offered:

- A 6 year lease with an option to break after 3 years
- A 3 month rent free period in year 1 and in year 4 if the option to continue is taken.
- Reduced Rental of £23,500 per annum for the first 3 years rising to £25,000 for the last 3 years.
- The free use of specific parking spaces immediately at the rear of the premises dedicated to people with disabilities.

The lease has been agreed in principle and is subject to change of use being agreed.

4.3   Change of Use Application

A change of use application from A1 to A2 has been submitted for the identified premises on which will be considered by the Development Control Committee on 16 October 2014.

4.4   Building Works/IT Infrastructure/Fitting Out

Quotes for building works, fitting out and the installation of the necessary electrical and IT infrastructure have been obtained and are included in the costs as shown at Appendix 1.

4.5   Software

Research and demonstrations are being organised to identify the right software packages to suit the Council's needs. Packages are being sought for the following:

- A customer relations management (CRM) system to provide customer history, scripted prompts and valuable feedback information for service performance.
- To provide e-forms for use on the Council's website and on a self-serve basis within the customer contact centre.
- Online access for resident's to their council tax and benefit accounts

As well as the sourcing and procurement of the above packages the Council's website is being redesigned and the Council's current document imaging system (IDOX) is being expanded and renewed to better support all services to link in with this transformation.

Additionally, a full review of the Council's telephone system and the use of the switchboard is taking place in order to properly integrate it within the transformation.

4.6   Staff Issues

Dialogue on the implications for staffing as a result of the transformation is progressing with Senior Management Team, Heads of Service and Human Resources. All staff implicated in the transformation together with the trade unions will consulted as be part to the formal established process.

Since the last report to this committee in July 2014 this transformation programme has been extended to cover all council services and staff. This is to ensure that the same principles, standards and process are applied across the organisation as a whole so that residents, as far as possible, receive a consistent and high level of service from all staff who will be trained and equipped with transferable skills.

4.7   Standards for Service Delivery

A proposed list of service standards and the method of consultation with residents will be presented to the next meeting of the Customer Services Task Group on 8 October for its consideration. Its recommendations will then be referred to a future meeting of this committee for final consideration.

4.8   Working with Other Organisations

This programme presents the ideal opportunity for the Council to review the performance and suitability of the advice services it funds in the borough. The Council will then be able to take a considered view on exactly what advice services residents require and how best to provide them. These can then be specified with a new contract being awarded accordingly.

In accordance with a previous resolution of this committee, and as part of this programme, negotiations are reaching the final stages with the Registrar's Service in order to re locate this service into an Oadby & Wigston Council building. This will provide a new and enhanced service for local residents and create a sustainable revenue income stream for the council.

5.   Financial Implications

Appendix 1 sets out the estimated capital and revenue costs.

Capital Costs
The projected capital set up costs of £157,000 can be accommodated within the existing 2014/15 capital programme through a combination of efficiencies, estimate revisions and accessing alternative funding streams. This can be achieved without the need for any existing 2014/15 planned capital schemes to be lost from the programme.

Revenue Income
It is estimated that a sustainable income stream of at least £20,000 per year will be created from other public sector organisations using Council premises to provide their services. This would include the Registrars, Job Centre Plus, Advice Services and the Police etc.

Revenue Costs
The estimated additional revenue costs of £45,000 per year will need to be included within future financial years' budget allocations.

Other Funding Sources
The introduction of the new CRM system and the development of the "My Account" concept could be partially funded by a bid for "Transformation Challenge Award" funding from the Department for Communities and Local Government (DCLG). This is a joint bid for £700,000 that has been submitted by all the four authorities involved in

the ICT shared service. The outcome of this will not be known until 2015. If this bid is successful it will significantly reduce the costs of the project.

Savings

Over the medium to long term, the shift of functions from back to front office together with the investment in improved technology will result in revenue efficiency savings for the Council. These are predicted to be in the region of £150,000 per year from 2016/17 onwards**.**

The key driver for the Customer Service Transformation Programme has always been to improve customer service and not just to drive down costs. It is therefore unlikely that there will be significant revenue savings in 2015/16 as the service will need to find a sustainable and well balanced level of operation in its first year. After this first year the cost savings will then flow through.

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Implications	
Equalities (KG)	An EIA has been undertaken
Financial (PL)	Included within the body of the report
Legal (KG)	It is vital that Legal and HR are fully consulted at the outset as there may be changes to existing terms and conditions of staff will owing to the likely changes to current job duties required so as to embrace and encompass the new delivery method of customer representation and service. This will involve appropriate consultation with existing staff, HR and the Trade Unions.
Risk (PL)	CR1 Decreasing financial resources CR4 Reputation damage

Appendix 1
Customer Service Transformation Costs

Relevant Capital Costs

Item	Note (see below)	Number	Costs per unit	Total £
Telephones		15	250	1,250
Desks and chairs		15	300	1,500
Computer / Laptop		15	450	2,250
Self Serve terminals	1	4	900	3,600
Staff Uniforms	2	15	300	1,500
Additional I T licenses				3,000
Customer Queue system	3			3,000
CRM, online e-forms and "MyAccount"	4		Platform set up £1,500 Payment module set up £3,000 Forms and integration training £5,500 CS officers training £2,000 Implementation call off services £25,000	37,000
Refit and set up building			Building and electrical works £56,397 Office furniture £14,589 Works to comply with the Equalities Act in respect of disability (level entrance and toilet facilities) £34,304	105,290
Total				**156,890**

Relevant Revenue Costs

Additional revenue costs per year would include:

Item	Note	Cost £
CRM Licences and Maintenance	Forms licence £7,000 Payment gateway connector £1,000 Self serve apps £5,000 User licences £12,000 Licence of on line benefit form £5,000	30,000
IT Link to Main Offices (Phones and Computers)		2,880
NNDR Payable		11,000
Annual Rental (First year)	5	17,625
IT Support – Additional Site		3,750
Total		**65,255**

Notes

1. Self serve terminals allow customers to access online benefit application forms/choice based lettings/council tax forms. Customers can also access other

sites such as Jobcentre Plus and CV writing and GOV.UK. Staff will support this process. This will support a change in culture from 'Let me do that for you?' to 'Can I help you to do that?'

2. Some existing customer services staff (involved with telephony) are presently not required wear uniforms. Existing uniforms are no longer stocked.

3. A professionally managed customer queuing system will provide a vastly improved service to customers. The system will provide information on how many customers are seen, waiting times and the services used.

4. A CRM system is made up essentially of a number of components; a forms package, a 'My Account' option that allows customers to access their records i.e. council tax account, benefit claim, rent account (to find out account balances and next payment information), a database of information for front line officers to support the delivery of accurate and consistent information to customers and a customer history. It can also be useful for collecting customer feedback and reporting on demand levels to determine requirements for service cover.

5. The original annual rent of £25,000 has for the terms of a 6 year lease been negotiated down to £23,500 per annum with a 3 month rent free period reducing the rent in the first year to £17,625.