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REPORT TO: FINANCE & MANAGEMENT  
COMMITTEE

AGENDA  
ITEM:

14

DATE OF MEETING: 2<sup>ND</sup> SEPTEMBER 2004

CATEGORY:

REPORT FROM: CHIEF FINANCE OFFICER

OPEN

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SUBJECT: CUSTOMER FIRST

REF: TJN

WARD(S) AFFECTED: ALL

TERMS OF  
REFERENCE: FM 11

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## 1.0 Recommendations

### 1.1 That this Committee:-

- Approves the proposed merger of contact centre and Cash Office staff and associated salary grading
- Approves the recruitment of a business analyst using resources allocated through IEG funding
- Confirms the appointment of the Customer Services Working Group to consider future development of this project and in particular improvement to the reception area.

## 2.0 Purpose of Report

2.1 To update Finance & Management on progress with the Customer First Project and define the steps for taking the project forward.

## 3.0 Executive Summary

3.1 The Council's Customer First Project started just a year ago. In that short time the Council has made excellent progress in taking forward the project with:-

- A new switchboard implemented
- A new customer based computer system implemented
- A new contact centre established.

- 3.2 This has provided the building blocks for a better service to our customers and enabled Council staff to:-
- Deal with a higher number of face to face customer enquiries at the first point of contact
  - Deal with a higher number of customer telephone enquiries at the first point of contact
  - Handle more efficiently incoming calls e.g. for pest control
  - Deal with new service pressures that would otherwise put considerable pressure on other staff e.g. introduction of gold card
  - Helped relieve pressure on busy specialist staff by answering basic queries within the contact centre e.g. land charges
  - Other improvement in service delivery e.g. an appointment system for pest control.
- 3.3 All this would not have been possible without the commitment and leadership of the Customer Services Manager, the willingness of contact centre staff to work in a different way as well as support from IT staff and the support of Members to progress this important project.
- 3.4 It has not always been easy. No change ever is but all those involved are now getting a real sense of achievement from being a part of this project and seeing the benefits that it can deliver.
- 3.5 This report sets out plans for moving to the next stage of this project by building on the success that we have already achieved. In particular it focuses on the need to:-
- Expand the number of processes that can be dealt with within the Contact Centre
  - Improve the information that is available to answer general customer enquiries either within the contact centre or via the Council's web-site
  - Deliver an improved reception area that can answer most face to face customer enquiries at the first point of contact, including taking cash

#### 4.0 Detail

##### Background

- 4.1 The Finance & Management Committee held on 11<sup>th</sup> December 2003 considered a report on the Customer First Project. This followed on from a member seminar on the Customer First Project
- 4.2 The Committee resolved the following:-
1. That the Customer First project, as outlined and the associated work programme be approved.
  2. That a feasibility study be commissioned to look at options to redesign the Council's reception area to create a more customer friendly environment.
  3. That the implementation of the new customer relationship management system using funding from the Derbyshire Partnership be approved.

4. That the vacant post within the division be utilised to prepare for the new system.
  5. That an investigation of alternative payment options to replace the existing Cash Office be approved.
- 4.3 The report also outlined the services that over time would be covered at the first point of contact within the Customer First Contact Centre as follows:-
- ⇒ Environmental Health
  - ⇒ Revenues & Benefits
  - ⇒ Planning & Building Control
  - ⇒ Direct Services e.g. Refuse Collection
  - ⇒ Housing
  - ⇒ Elections
  - ⇒ Generic processes – Customer Complaints; Change of Address
- 4.4 The implementation of the Customer Relationship Management System was linked closely to the implementation of a new Council Telephone System. This was the subject of a separate report to Finance and Management Committee on 15<sup>th</sup> January 2004. The committee approved the implementation of a new replacement telephone system.
- 4.5 A Customer First Working Group was also established to oversee the Customer First Project. This includes Councillors Atkin, Carroll, Hood, Isham and Wilkins.
- 4.6 To date this group has met 7 times to develop this project and review its implementation.

### **Progress to Date**

#### *Telephone System*

- 4.7 The Council's new telephone system was implemented on 13<sup>th</sup> March 2004, This was in accordance with the planned timescale.
- 4.8 As part of this system implementation it has been possible to relocate the main switchboard away from the main reception desk to the contact centre office.
- 4.9 All existing reception staff and additionally customer service staff have been trained on the new switchboard. This has more than doubled the cover for the switchboard, which had previously presented a risk to the Council. For example any staff sickness could place considerable pressure on the previous reception team.
- 4.10 Implementation of the new system was backed up by training for all Council staff to help them to take advantage of the extra flexibility that the system offers. For example, the system allows staff to place a message on their phone if they are on leave, at a meeting, on sick leave etc. This enables staff on the switchboard to give a more informed response to customers.

- 4.11 The system also has a voice mail facility that enables customer to leave messages or alternatively return to the main switchboard.
- 4.12 The key benefit of the new system, however is that it provides very useful management information. This will prove invaluable in enabling us to measure the service that we provide to our customers at the first point of contact.
- 4.13 In the first month the Switchboard dealt with some 41,000 calls with 85% of customers waiting on average less than 5 seconds for their calls to be answered.
- 4.14 We are conscious that not all customers contact the main switchboard and that many ring divisions on direct lines.
- 4.15 The call monitoring information indicates that there are instances where customers are having to wait a considerable time for their call to be answered (up to 30 seconds on average) and a considerable number of cases where customers calls are not answered.
- 4.16 The Customer Services Team is working with those divisions to explore the potential for the Customer Contact Centre to help with these enquiries to deliver a more prompt service to our customers.

#### *Customer Relationship Management System*

- 4.17 The Customer Relationship Management System was implemented in March 2004. Again this was in accordance with the planned timescale.
- 4.18 The funding for the system, amounting to some £100,000, was met by the Derbyshire Partnership. Effectively this has funded the new system, the server to run the system and the computers within the Contact Centre.
- 4.19 We have implemented the system with the core processes as follows:-
- ⇒ Pest Control – wasps, rats, mice, general enquiries
  - ⇒ Council Tax Information – Council Tax bands
- 4.20 It should also be pointed out that South Derbyshire is at the forefront of implementing the new Customer Relationship Management System within the partnership. In fact we are the first Council in Derbyshire to implement this system in a Contact Centre setting.

#### *Developing the Customer Relationship Management System*

- 4.21 Now that the Customer Relationship Management System is in place and staff are growing in confidence in using the system, we have turned our attention to adding more processes to it.

- 4.22 As planned, attention in the first instance has focussed on Environmental Health Services. The following processes have now been added to the Customer Contact Centre
- Noise Pollution
  - Air Pollution
  - Lost and Found Dogs
- 4.23 South Derbyshire has also benefited from being at the forefront of implementing this system. We have had assistance from staff from the Derbyshire Partnership to define and develop the new processes identified above.
- 4.24 In addition to Environmental Health enquiries we are also adding other services into the contact centre.
- **Gold Card/Concessionary Fares** – the contact centre has been invaluable in helping to deal with the substantial number of enquiries for Gold Cards. As a result we have been able to arrange appointments for members of the public to have their photos taken and help to avoid inconvenience for our customers. Because the calls have been answered by fully trained, dedicated customer service staff, we have been able to offer a more informative service. The feedback from our customers has been excellent.
  - **Land Charges** – we are answering general enquiries in the contact centre, which helps to relieve pressure on land charges staff, who would otherwise be distracted in answering very general queries. We are currently answering approximately 75% of their calls.
  - **Council Tax Single Resident Discount** – we will be answering general enquiries in the contact centre in response to a standard letter being sent to all recipients of Single Resident Discount. This will again relieve pressure on the Council Tax staff.
- 4.25 Staff are working with the Refuse Collection DSO to enable bulky waste enquiries to be dealt with at the depot via the CRM system.
- 4.26 Work is progressing with expanding the existing electronic payments system to allow all payments to be taken over the phone in the Council's contact centre. This is planned to be in place by the end of September. At that stage the Contact Centre will be able to take payments over the phone during core hours (8:30 am to 5:00 pm). It will also be possible to take these payments on the main reception desk.

#### *Successes to date*

- 4.27 The Contact Centre has been dealing with some 50 calls per day. As extra processes are added this will rise further.
- 4.28 Many of these calls dealt with pest control (reporting rats, mice, wasps etc). Staff have been able to arrange morning and afternoon appointments for residents who will also experience a quicker response to their call. In this way the Contact centre is helping to make a real change to the service our customers receive. As we are now using an electronic diary system, we are also able to effectively plan the routes for the pest control officers which means their time is utilised more efficiently and allows time for more calls.

- 4.29 As the Contact Centre can handle more calls, fewer people are failing to report pests. This has helped to increase the number of pest control requests with a corresponding increase in the revenue received by the Council.
- 4.30 Other successes include the Gold Cards where the Council has been able to introduce an appointments system to help to manage photo sessions for residents applying for the gold card. This has helped to avoid unnecessary delays for out customers who would otherwise have had to queue in main reception. It has also helped to manage the workload for staff within the Cash Office.

#### *Next Steps - Priority Outcomes*

- 4.31 The Government's has set out in detail the full range of services that it expects to be delivered by electronic means by the end of 2005. This covers over 300 specific Council services.
- 4.32 The recognised measure of success is based on the Electronic Service Delivery (ESD) Toolkit, which specifies all of the services that a local authority will provide.
- 4.33 Staff are currently working through this toolkit to identify the range of services that need to be added into the contact centre. This can be done in two main ways
- **Process Mapping** – where services require a certain process to be followed, for example reporting a noise nuisance. A detailed process will be established to enable the contact centre officer to follow a logical procedure to obtain all of the necessary information that can then be passed onto the relevant officer to action.
  - **General Enquiries** – in other cases the Council will be developing its library of information (known as the A-Z) that will answer general service related queries e.g. how much does a Land Search Cost, who is my ward Councillor?

#### *Process Mapping*

- 4.34 Using the ESD toolkit will help staff get a wider appreciation of the processes that remain to be mapped.
- 4.35 The intention is then to endeavour to prioritise these processes in terms of the level of customer queries. The aim being to focus early on to those processes that generate the most customer contact. This means that the next processes will not be added on a service by service basis.
- 4.36 This approach will also ensure that introducing the contact centre will have the greatest impact on our customers, with the majority of their calls likely to be included sooner within the contact centre.
- 4.37 Currently the process mapping has been carried out by existing staff with some assistance from the Derbyshire Partnership. As pressure to develop more processes increases there is a need for a more specialised resource to develop these processes, which has already been recognised within the Council's IEG plans.

### *General Enquiries*

- 4.38 The ESD toolkit is also useful in that it provides generic information on all the services provided by District Councils such as South Derbyshire. This information can be updated to reflect local circumstances e.g. contact names, fee charges, opening hours etc.
- 4.39 A project will be commenced at the beginning of October to work with each Division to update this information to reflect the local circumstances at South Derbyshire. Once this is done the information will be available to be accessed by members of the public over our web-site and by contact centre staff to enable them to answer general enquiries.
- 4.40 This links closely to plans, agreed by the Finance & Management Committee, to set aside IEG money to introduce a content management system to help to manage more effectively the information held on the Council's web-site.

### *Service Standards*

- 4.41 As part of this project of developing information, Divisions will also need to look at the service standards applied to every service that they deliver. Customers need to know how quickly their request for services will be dealt with and this needs to be clarified on the information provided.
- 4.42 In future we will be able to compare our standards with other Councils to determine whether they are realistic in view of what customers can expect from them.

### *Equalities Issues*

- 4.43 As more calls come through the Customer Contact Centre, it is essential to ensure that we can deal with calls from customers, who may not have English as a first language. Steps will be taken to identify potential translation services that can help these customers.
- 4.44 Similarly the Equalities and Attitudes Group will be reviewing existing Council literature with a view to making key documents accessible to residents who do not have English as their first language.

### *Building Implications*

- 4.45 The Finance and Management Committee (December 2003) agreed a feasibility study to review the main reception area.
- 4.46 This study has been completed and the results reported to the Customer First Working Group.

- 4.47 Provisions in the Capital Programme for Building Works (2003/4) have already been used to create the customer contact centre at a cost of some £8,000. In addition further works to the ground floor have also been funded. This has enabled support services to co-locate with the Contact Centre to the ground floor. This has also created considerable additional space for the accommodation review that is currently underway, following the approval of restructuring proposals by Council in August 2004.
- 4.48 These changes will enable support service staff to work more closely with contact centre staff. This will be essential in the future as more administrative processes are dealt with at the first point of contact within the Customer Contact Centre.
- 4.49 Members of the Finance and Management Committee held in June 2004 subsequently approved the allocation of £50,000 to create a centralised reception area.
- 4.50 This is essential to proceed to the next phase of the Customer First Project, which will involve consolidating existing reception areas and the Cash Office. The aim is to have one central reception area that will handle cash and deal with general enquiries.
- 4.51 This will represent a considerable improvement on existing arrangements with:-
- The ability to take payments from 8:30 to 5:00 pm (currently 9:30 a.m. to 2:30 pm)
  - The ability to deal with a wider range of face to face enquiries on main reception using the Customer Relationship Management System
  - Avoiding the confusion of a multitude of reception areas
  - A more welcoming and customer friendly environment for customers and visitors.
  - A more professional and up to date image of the Council for customers and visitors.
- 4.52 A key task of the Customer Services Working Group will be to consider plans for the reception area to ensure that best use is made of the resources allocated for that task.

#### *Cash Office Arrangements*

- 4.53 From the above it is evident that many of the above benefits cannot be generated if the Cash Office is not considered alongside the reception points.
- 4.54 The Cash Office, whilst providing a very good service is limited to:-
- Providing a service to customers living in the Swadlincote area and not across the whole district
  - The Council is unable to take cash after 2.30pm using existing staffing levels and resources.
  - This can annoy customers calling in at the Council Offices but the level of payments received after 2:30 pm would not justify staffing a Cash Office over that period.



- 4.55 This also comes at a time when other Councils have recently introduced alternative cash collection arrangements:
- Derbyshire Dales has merged its Cash Office with its main reception and continue to take cash
  - High Peak has closed the Cash Office altogether and introduced other cash collection arrangements through the post office and other payment outlets.
- 4.56 Cash Office staff currently deal with many basic reception enquiries, especially in relation to revenue and benefits. Their knowledge will enhance the service on main reception and the contact centre.
- 4.57 At the same time Cash Office staff face pressures due to a lack of cover to deal with holiday periods and staff sickness. This can make it difficult to maintain the service.
- 4.58 A larger team will help to address problems with peaks and troughs in staffing levels due to sickness and holiday periods.
- 4.59 These issues have been considered by the Customer Services Working Group. This has resulted in consultation taking place with staff in the Cash Office and within the Contact Centre to explore the potential for the two teams working more closely together.

*Staffing Implications – To date*

- 4.60 The Contact Centre has been staffed from existing staff within Customer Services. Essentially these are reception staff and support service staff.
- 4.61 A new post of Team Leader was advertised and recruited internally, as agreed by the Finance and Management Committee. This was from existing staffing budgets within Customer Services.
- 4.62 All Customer Service Staff attended a training course on Customer Care. This course proved very successful as both a team building exercise and also enabled staff to discuss a range of techniques for providing good customer service. Staff have also received training in the new computer system.
- 4.63 These changes have created a core Contact Centre Team of 5 staff, including the Team Leader. This has been increased over the summer months by a temporary member of staff, which has helped to:-
- Provide additional support to contact centre staff in their new role
  - Help provide cover for summer holidays and sickness absence.
- 4.64 The work of all staff is rotated between the post room, front reception desk, main switchboard and dealing with contact centre enquiries.

- 4.65 This ensures that staff maintain important face to face customer contact. It is worth noting that the CRM system is on the reception desk and that this allows staff to answer a much wider range of customer questions face to face on the reception desk that would previously have been referred to another officer.
- 4.66 The changeover has not been without its pressures and problems but staff in the Customer Services Team have responded in a very positive way, which has enabled the project to progress successfully.

*Future Staffing Implications – Cash Office/Contact Centre*

- 4.67 The benefits of creating a single reception point are outlined in paragraph 4.51 above. Consultation with Contact Centre Staff and Cash Office Staff has now taken place.
- 4.68 The feedback from the consultation has been positive with staff appreciating the benefits of contact centre and Cash Office staff working more closely together to help to deal with peaks and troughs in workload and staffing within both teams.
- 4.69 It has been necessary to review the job description and person specification of Customer Service and Cash Office Posts to ensure that they reflect the wider range of duties carried out by these staff and the additional flexibility that will be required from them.
- 4.70 Currently all of the posts are graded on APT & C scale 3. The market testing exercise has suggested a wider grading structure of Scale 2/3/4. This will provide more flexibility to recognise the varying skills and experience of staff performing that role. Above all it will provide the incentive for staff to develop within that role.
- 4.71 A key element of this grading will be a qualification bar at Scale 3. If staff wish to progress beyond this level they will need to study for and achieve a recognised NVQ level 3 Customer Service qualification. Currently no staff have this qualification although staff will be given the opportunity and support to attain it. This is a similar qualification to the one that staff within the customer services team in the DSO are attaining.
- 4.72 *As part of these changes it is further proposed to review the job description and person specification for the Cash Office Manager to create the post of a deputy team leader to be responsible for front of house reception with the existing team being responsible for the Contact Centre.*

*Staffing Implications – Process Mapping*

- 4.73 Resources have already been set aside by Finance and Management to fund the technical development of Customer First.
- 4.74 It is proposed that these resources will be used to fund a two year fixed term post of a business analyst to develop scripts for the Customer Contact Centre.

4.75 Currently this work is placing a heavy burden on the IT Manager and Customer Services Manager, which means that other key tasks are being delayed.

*A reminder of what we are trying to achieve and why it is so important.*

4.76 The Government's Priority Outcomes sets out what it expects from its investment in E-Government.

4.77 A key priority outcome for the Government is Customer Relationship Management.

4.78 This enables Councils to refocus their services on the customer in a more efficient and effective way.

- Customer calls are answered in a consistent way based on information held on the system and regardless of who answers the call and their individual knowledge
- There is a pool of staff who can answer most customer calls as scripts and processes are developed – this means that customers do not have to wait to get through to the specialist in that area – who may be out of the office, off sick or on holiday
- A record is made of customer enquiries – this means that we can monitor how quickly they are resolved and ensure that customers actually get a resolution to the issue that they have raised.

## **5.0 Financial Implications**

### *Building Improvements*

5.1 The Finance and Management Committee has approved funding of £50,000 for changing the layout of the main reception area.

5.2 Officers will now seek detailed proposals from architects/building contractors to work within this budget. This will take into consideration the requirements of the Disability Discrimination Act.

### *Customer Contact Centre*

5.3 Officers have worked hard to keep the additional costs of the Contact Centre to a minimum. It is appreciated that the Contact Centre is not an additional layer of customer contact.

5.4 The Contact Centre is currently staffed from existing posts from Customer Service (Reception and Support Staff). The proposals is to increase this staffing with existing staff within the Cash Office.

5.5 At the same time the contact centre is already enabling managers to review whether vacant posts are replaced. In the case of Revenues and Benefits two posts are not being replaced in recognition of the extra work that can be done within the Contact Centre.

5.6 The table below shows how the proposed structure can be financed:-

<b>Proposed Structure</b>	<b>£</b>	<b>£</b>
Team Leader	26,291	
Deputy Team Leader	23,865	
Customer Service Advisors (10)	190,890	
<b>Total Cost</b>		<b>£241,046</b>
Transferred Posts – Customer Services	(138,274)	
Transferred Posts – Cash Office	(77,201)	
Deleted Posts – Revenues	(21,210)	
<b>Total Saving</b>		<b>£236,685</b>
<b>Net Cost</b>		<b>£4,361</b>

5.7 This shows the maximum cost at the top of the scale for all employees. In reality this will depend on employees gaining the necessary NVQ qualification. It can therefore be appreciated that the proposal is broadly cost neutral.

5.8 In future the Contact Centre may need to grow further but again the principal followed will be to seek to do this by transferring existing posts to the contact centre or alternatively reviewing whether to replace posts as they fall vacant.

#### *Business Analyst*

5.9 IEG Funding of £35,000 has been set aside specifically for the CRM project with a further contingency of £66,500 for this project and two others. It is therefore proposed that a business analyst is appointed from within this sum.

### **6.0 Corporate Implications**

6.1 The Customer First Project as well as meeting key E-government objectives plays a major part within the Council improvement plan following its “fair” CPA assessment.

6.2 The project will help the Council to review the way it delivers services to its customers and clarify the service standards that customers can expect, another key element of the CPA.

6.3 The Project will also enable the Council to review its procedures and benchmark these against other Councils to ensure that the practices we follow are as efficient and cost effective as possible.

### **7.0 Community Implications**

7.1 The project will help to ensure that the Council responds to the needs of all of its customers in the way they expect those needs to be addressed.

7.2 Many customers will prefer telephone contact but increasingly customers will wish to use e-mail. A key number of customers still want to have their questions answered face to face at the Council Offices.

7.3 Increasingly however customers will expect that their enquiry will be answered quickly and efficiently at the first point of contact regardless of the time of day. This is a key challenge for this project to address over future years.

## **8.0 Summary and Conclusion**

- 8.1 This is an exciting project that really gives Councils a chance to improve the service that they deliver to customers.
- 8.2 South Derbyshire can be proud of the progress it has made with this project, which is progressing well within its intended timescale.
- 8.3 Having made such a significant investment in this project with help from the Derbyshire Partnership, we now need to make sure that our customers receive the benefit from this investment by using the system effectively and expanding the number of services that we cover at the first point of contact.
- 8.4 In return the Council has the prospect of more efficient administration and being able to answer a larger number of customer calls in an effective way.
- 8.5 Clearly there are challenges ahead and the scale of this change has already created worries for a number of staff and in a number of divisions. However it is important that Members do not let those worries hide the benefits that the Customer First project can deliver to our customers.

## Customer First Project – Timetable

	Task	Responsible Officer	Deadline (end)
1	Bring together Contact Centre and Cash Office Staff	CSM	October 04
2	Work with Human Resources to develop training package for Customer Service Staff to enable them to work towards NVQ qualification	CSM Head of HR	November 04
3	Publicise alternative methods of payment	Head of Revenues CSM	September 04
4	Recruit Business Analyst for process mapping	Head of ITCS CSM	October 04
5	Review ESD Toolkit to identify full range of services provided by SDDC for which information must be provided	CSM IT & Strategy Manager	September 04
6	Identify priority processes to be added to contact centre – in terms of level of customer enquiries	Head of ITCS CSM	September 04
7	Work with relevant divisional managers to add processes	Business Analyst	Ongoing
8	Distribute ESD toolkit pro-forma information to Divisional Managers for update/completion	Divisional Managers	October 04
9	Request completion of pro-forma information together with information on service standards where applicable	Divisional Managers	December 04
10	Meet with Customer Services Working Group to discuss options for reception area	Head of ITCS CSM	September 04
11	Agree proposals for Reception Area	Head of ITCS CSM Housing Services	October 04
12	Commence work on reception Area	CSM Housing Services	December 04
13	Completion of work on reception Area	CSM	February 05
14	Review existing publications	Equalities and Values Grp	November 04
15	Source potential translation services	CSM	November 04