REPORT TO:	**FINANCE AND MANAGEMENT**	**AGENDA ITEM:** 12
DATE OF MEETING:	**11TH DECEMBER 2003**	**CATEGORY: DELEGATED/**
REPORT FROM:	**CHIEF FINANCE OFFICER**	**OPEN/ PARAGRAPH NO:**
MEMBERS' CONTACT POINT:	**TERRY NEAVES (595800)**	**DOC:**
SUBJECT:	**CUSTOMER FIRST PROJECT**	**REF: PLC1**
WARD(S) AFFECTED:	**ALL**	**TERMS OF REFERENCE:**

1.0 Recommendations

1.1 The Committee is asked to:-

- Support the Customer First Project as outlined in paragraphs 3.1 – 3.33 and the associated work programme
- Commission a feasibility study to look at options to redesign the Councils reception area to create a more customer friendly environment
- Support the implementation of a new Customer Relationship Management system using funding from the Derbyshire Partnership
- Agree the appointment of two full time Members of staff to prepare for the implementation of the customer contact centre as outlined in paragraphs 3.34 – 3.39.
- Support investigation of alternative payment options to replace the existing cash office.

2.0 Purpose of Report

2.1 This report provides an overview of the "Customer First" project.

3.0 Detail

3.1 In September of this year, the Customer First Concept was introduced to a seminar for all Members.

3.2 The seminar sought Members views on how it could deliver even better customer services and put forward a range of ideas as to how this could be achieved.

3.3 At the seminar, Members agreed to establish the Customer First Working Group to look in more detail at the options for developing our customer services to meet the changing needs of our customers.

3.4. The Customer First Working Group has held two meetings to date, which have considered in some detail the service that we provide to our customers. In addition

the Group have also visited High Peak Borough Council, which has recently re-organised the way it deliver customer services.

Where are we now.

3.5   At the outset, the Group considered that the front-line service customers received was very good.

3.6   However the Group did recognise that the needs of our customers are changing.

- They expect their query to be dealt with at the first point of contact
- They do not want to be passed from officer to officer before their query is addressed.
- The Group also considered that this was the case for people visiting our offices who did not wish to go from one reception area to another.
- Customers will increasingly wish to make contact with the Council outside of normal office hours and at weekends. At the moment they will contact Councillors to resolve their query.

3.7   At the same time the Group was clear that it did not wish our customers to receive an impersonal service.

3.8   In particular the Group wanted to avoid a menu driven phone system that is difficult for customers to use.

3.9   Annex A shows the myriad ways that customers can contact the Council at present. While these multiple communication channels provide customers with a wide range of options for contacting the Council, they also present a huge risk in terms of guaranteeing good customer service.

3.10   With so many channels of communication, it is not surprising that some channels or indeed many break down. This leads to poor customer service as the customer does not get through to someone who can answer their question.

Where do we want to be

3.11   The Group felt that we needed to benchmark our Customer Service standard by surveying our customer Groups. In February 2004, questionnaires will be sent out to SDDC Members and staff and the Citizens Panel.

3.12   The Group considered in some detail how we might change the way Customer Services are delivered.

3.13   This was assisted by a visit to High Peak Borough Council, which has transformed the way it delivers customer service by introducing a customer contact centre.

3.14   The Group considered the benefits of introducing a contact centre for South Derbyshire. Ultimately this would be able to answer the vast majority of customer queries at the first point of contact.

3.15   Annex B demonstrates how this will simplify the channels of communication and make it simpler for our customers to contact us and get their query resolved. Reducing the number of channels of communication also reduces the risk that our customers will not be able to contact us.

3.16 The Group also recognised that many of our customers still come into our offices and we need to look at the way we deal with them. Of particular concern, is the number of reception areas.

3.17 Members also looked around the reception area from the view point of our customers and identified concerns in terms of:-

- Confusion with more than one reception point
- Poor lighting with little natural light beyond the main reception desk
- Poor arrangements for confidential meeting rooms

3.18 The Group therefore considered that it would be difficult to move forward without making changes to the layout of the reception area to provide a more welcoming environment with a single reception point.

3.19 In addition to the above all Councils face the challenging e-government targets for all services to be delivered electronically by December 2005, little more than 2 years away. The level of achievement or under-achievement against this target will no doubt become an increasingly important factor when assessing the performance of our Council.

3.20 The above issues affect the whole Council and the ability of all divisions to deliver effective services. It is not surprising that the Customer First Project forms a central part of the action plan identified in the Council's Corporate CPA Improvement Plan.

How do we get there ?

3.21 The above issues cannot be addressed overnight or without any additional resources. The Customer First Project is a long term project that as it grows and develops will have an impact on Customer Service across the whole Council.

3.22 This section identifies some immediate actions that will help us make a good start towards implementing this key project.

CRM System

3.19 The Council is a member of the Derbyshire Partnership. This includes all Councils across Derbyshire.

3.20 The Partnership has received government funding of £2m to be spent on a range of e-government projects. The most significant project in e-government terms is a common customer relationship management (CRM) computer system.

3.21 At least six Councils, including South Derbyshire are part of the CRM project being funded by the Derbyshire Partnership.

3.22 At this stage the Derbyshire Partnership is evaluating tenders for a system to be used across all the partner Councils with implementation envisaged before the end of March 2004.

3.33 This will provide the cornerstone of a contact centre as it will allow for the details of every customer call to be recorded and monitored to ensure that their query is answered.

3.34 Clearly customer calls cannot be answered without good information. Work therefore needs to begin to document key processes and ensure that the officer answering customer calls has the information they need to hand.

3.35 This is a very time-consuming but essential task. Essentially this involves developing scripts that provide contact centre staff with prompts when dealing with a customer enquiry/request.

3.36 Over 400 tasks have been identified for a Council of our size and complexity. Each one of these will need to be documented and scripted before they can be dealt with within a contact centre.

3.37 Other Partners within the Derbyshire Partnership will be doing the same work. This helps us in two ways:-

- We may be able to use processes developed by other partners with only minor changes to reflect our local circumstances.
- We can compare with other partners our processes for carrying out similar tasks with a view to agreeing best practice.

3.38 This work does not just affect the contact centre but will have an impact on the Division where the work originates. It is essential to avoid duplication by clarifying what the contact centre and division roles are when dealing with a customer.

3.40 Documenting our processes will also enable us to produce service standards that set out clearly to our customer what level of service than can expect to receive. Again developing these processes with other partner councils will enable us to review our service standards more easily to ensure that they match more closely or indeed exceed those of partner councils.

3.39 The Council's web-site will also be an important tool for Contact Centre staff to answer general enquiries. This means that we need to ensure that Council information kept on our website is up to date and easily accessible through an A-Z of Council Services.

Implementing a New Contact Centre

3.40 The Customer Relationship Management Computer System is the backbone of a contact centre. As mentioned previously, this is being funded through the Derbyshire Partnership and is planned for implementation by the end of March 2004, to satisfy the funding requirements of the Partnership.

3.41 A lot of preparation now needs to take place to enable us to make the best use of this Customer Relationship Management System. Essentially this work is outlined in the Section above. In terms of preparing for the implementation of a contact centre, it is important that this work is commenced at an early stage.

3.38 In order to undertake this work it will be necessary to identify two posts to undertake this work and who in furture would act as Team Leaders for Call Centre Staff. The revised structure envisages that the roles of the two team leaders will be split between.

- Managing the central reception area/information and face to face customer contact
- Managing contact centre staff answering telephones

3.39 Both posts will be required to work on scripts and developing information on our web-site.

3.39 At the outset it is proposed that these posts will be advertised first internally.

Services to be covered by a Call Centre

3.40 It is envisaged that the following enquiries could be dealt with ultimately within the Customer Contact Centre.

- Environmental Health e.g. pest control enquiries
- Revenues & Benefits
- Planning & Building Control
- Direct Services e.g. Refuse Collection enquiries
- Housing
- Elections

3.41 At this stage the Group considered that there may be benefit in adopting an incremental approach and starting with environmental health services, which are currently answered by the customer services team.

3.42 In view of the volume of work involved to document processes and prepare scripts it would not be practical to include every service from the start.

3.43 It is also essential to build Customer Confidence in the Contact Centre.

Reception Area

3.42 A feasibility study to look at options for reorganising the reception area has already been commissioned. This will identify the options and the costs involved with making this area more customer focused and friendly.

Cash Payments

3.43 The Group considered that continuing to take cash payments at the very least presents certain security risks for the Council.

3.44 Officers have been asked to look at alternative ways for Council residents to make cash payments in addition to the facility of using Post Offices that is currently available to residents across the district. This could include:-

- The use of kiosks
- The use of other business outlets e.g. supermarkets to make payments.

4.0 Financial Implications

4.1 The Group recognised that a project of this nature would require significant funding.

4.2 As explained above, we have already received funding from the Derbyshire Partnership for a new Customer Relationship Management Computer System. This is worth in the region of £100,000 to our Council.

4.3 We now need some initial funding to ensure that we can begin to make use of this system. Every effort has been made and will be made to minimise this cost by using savings elsewhere to cover the cost of these two posts.

4.4 The table below provides an indication of the level of capital investment required.

Revenue Costs	
Staff Training	£5,000
Staffing – 2 Team Leaders at Scale 6	51,200
Savings in staff costs	-25,600
Net Staff Costs	£25,600
Total Revenue Costs	£30,600

4.5 Essentially the table above identifies the need to fund two team leader posts on Scale 6. Part of these costs will be covered by the deletion of a vacant post within Customer Services.

4.6 Depending on the successful candidate, the opportunity to review the need to replace any successful candidate for the other post will also be reviewed as a means of keeping increases in cost to a minimum.

4.7 Clearly, these are only initial costs and there will be other Capital and Revenue Costs envisaged for the full project. Overall the total revenue costs could be in the region of £60,000 per annum, including the costs in the above table. This would provide for any regrading of contact centre staff

4.8 Essentially this does assume that the Council will not be employing any "new" staff to work in the call centre but that it will be staffed from relocating existing staff into the contact centre.

4.9 To achieve this, the Council will need to demonstrate a real commitment to delivering services in a new way via the contact centre. It is hoped that over time managers will appreciate the benefits that this will offer and co-operate with both the transfer of service tasks <u>and</u> the staff associated with them to the contact centre.

4.9 As already mentioned above there will also be considerable costs in reorganising the Council's main reception area which are identified below.

Capital Costs	
Redesign of Reception Area – including feasibility study.	£200,000
Establishment of Telephone Contact Centre – including furniture and equipment	£50,000
Total Capital Costs	£250,000

4.10 The above capital costs are a preliminary assessment and may vary depending on the results of the feasibility study. The above costs will be the subject of a bid for resources as part of the budget process.

5.0 <u>Corporate Implications</u>

5.1 Consultation on staff issues have already taken place the Unions and SDDC Acting Personnel and Development Manager.

6.0 Summary and Conclusions

6.1   The Customer First Project offers this Council the opportunity to make a major step forward in the way it delivers customer services.

6.2   It is evident that a project of this size will have a major impact on all Divisions of the Council and the services that they provide.

6.3   In financial terms the Council has also benefited from substantial initial investment via the Derbyshire Partnership, which provides a sound basis for taking this important project forward.