

26 November 2014

Audit & Scrutiny Committee

Customer Services Transformation – Customer Contact Centre

Report of: *Steve Summers, Head of Customer Services*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 The Customer Services Transformation Outline and Detailed Business Cases to provide a fully integrated Customer Contact Centre, offering high quality customer service was approved at the Strategy and Policy Boards on the 26 June and 20 November 2013 respectively.
- 1.2 The Detailed Business Case identified that the Council was offering very traditional outdated opportunities for customers to access its services. The concept of the new Contact Centre was to move away from the traditional reception/telephone service offered by the Council to a new model that offered a wide range of modern and efficient access channels for customers.
- 1.3 The service would consist of three main strands as follows;
 - A modern, and customer friendly website with increasing options to transact on-line with the Council;
 - An effective and efficient telephone service with direct access to trained advisors able to resolve most queries without the need to refer the customer on.
 - The Contact Centre would also handle other contact channels such as post, emails, text messaging and social media.
- 1.4 In addition to the customer benefits identified above the Business Case proposed that savings of £250k were to be achieved through a number of methods as set out below;

- Lower transaction costs by encouraging customers to shift to less costly contact channels. e.g. Self-Service
- Increased economies of scale through generic front of house and telephony services, achieved by migrating enquiry handling and related staff roles into the Customer Service, and reducing overall staff numbers required.
- Streamlined processes for more efficient enquiry handling.

- 1.5 The Contact Centre was opened 23 April 2014 as part of a 'soft launch' with a target date for full implementation of 1 April 2015.
- 1.6 Following a review of the Detailed Business Case by Officers it has been established that the proposed savings in 2014/15 would not be achieved. This is due largely to the amount of training and reorganisation required to make the Contact Centre effective and the lack of a Customer Access Strategy and detailed action plan to identify how and when financial benefits would be realised.
- 1.7 With regard to the non-financial benefits set out in the Business Case for 2014/15 the Contact Centre has been implemented and the provision of a new customer services approach continues to progress. The business process mapping exercise which was undertaken successfully centralised transactions within the Contact Centre and succeeded in streamlining processes, where possible.
- 1.8 The Customer Contact Centre are currently handling telephone enquiries and general email enquiries for Streetscene & Environment, Planning & Building Control, Licensing, Housing Estates, Housing Re-registration, Environmental Health and Electoral Services.
- 1.9 A report will be made to the Finance & Resources Committee on the 14 January 2015 identifying possible future developments and savings that could be delivered over the medium term. This will include a Customer Access Strategy which will identify channel shift and the types of channels which should be promoted.
- 1.10 Following consideration of this report Members may wish to identify any matters they wish to be reported to Finance & Resources Committee on the 14 January 2015.

2. Recommendation(s)

2.1 That Members note the report in relation to the progress of the Customer Contact Centre.

2.2 That Members identify any matters to be reported to the Finance & Resources Committee on the 14 January 2015.

3. Introduction and Background

3.1 The Customer Services Transformation Outline and Detailed Business Cases to provide a fully integrated Customer Contact Centre, offering high quality customer service was approved at the Strategy and Policy Boards on the 26 June and 20 November 2013 respectively.

3.2 The Detailed Business Case identified that the Council was offering very traditional outdated opportunities for customers to access its service, which included a number of separate reception areas; a mix of direct line and switchboard facilities for telephone enquiries and limited access for our customers to transact with the council through web based facilities and restricted opening hours.

3.3 The concept of the new Contact Centre was to move away from the traditional reception/telephone service offered by the Council to a new model that offered a wide range of modern and efficient access channels for customers, complimented by extended opening hours to allow, in some instances, 24/7 contact.

3.4 The service would consist of three main strands;

- A modern, and customer friendly website with increasing options to transact on-line with the Council;
- An effective and efficient telephone service with direct access to trained advisors able to resolve most queries without the need to refer the customer on.
- The Contact Centre would also handle other contact channels such as post, emails, text messaging and social media.

3.5 Both revenue and capital investment was required to set up the Contact Centre. Key to the success of the service would be highly trained motivated staff; which would require investment in staff training and development.

- 3.6 In addition to the customer benefits identified above the Business Case identified that savings of £250k were to be achieved through
- Economies of scale – generic trained staff able to answer multiple enquiries, removing the need for each service to retain separate admin teams;
 - Reduction in repetition caused by numerous staff ‘touching’ a query.
 - Integration of IT systems – removing the need for resource intensive manual intervention.
 - Savings to be achieved through reducing overall staffing levels.
- 3.7 The Contact Centre was opened 23 April 2014 as part of a ‘soft launch’ with a target date for full implementation for 1 April 2015.
- 3.8 At the Audit & Scrutiny Committee, 30 September, Members received a report on progress to date against the Internal Audit Plan. The report provided information on the review of Customer Services which had been completed in quarter 1 of 2014/15 and had given a ‘moderate’ assurance which reflected the Council had made some progress but was still in the early stages of development of the Customer Contact Centre. An action plan had been agreed to address the audit recommendations.
- 3.9 Members requested that the Business Case for the Customer Services Transformation be circulated to the Committee and that a report be presented to the Audit & Scrutiny Committee on 26 November 2014 with progress to date. A copy of the Detailed Business Case is also attached as Appendix A to this report.

4. Issue, Options and Analysis of Options

- 4.1 The original Business Case identified a number of financial and non-financial benefits from developing a Customer Contact Centre as part of the Council’s Customer Services Transformation programme.
- 4.2 In terms of return on investment the Business Case identified that by using the Council’s 2012-13 customer contact statistics, potential savings in the region of £335,000 over 3-5 years could be achieved as a cautious estimate and £587,000 as an optimistic estimate over 3-5 years. This was based on using standard costs from the Society of Information Technology Management (SOCITM) for each contact channel.

- 4.3 The Business Case identified that there was a need to make £250,000 of savings on current costs which was to be achieved in the year 2014/15 and ongoing thereafter.
- 4.4 Following a review of the Business Case it has been established that no savings are expected to be provided in 2014/15, largely due to the amount of training and reorganisation required to make the Contact Centre effective and the lack of a Customer Access Strategy and detailed action plan to identify how and when financial benefits would be realised.
- 4.5 The Head of Customer Services is currently reviewing the work undertaken to date, identifying possible future developments and the evaluation of potential savings that could be delivered over the medium term. This will be reported to the Finance and Resources Committee on 14 January 2015 including a Customer Access Strategy which will identify channel shift and the types of channels which should be promoted.
- 4.6 Whilst the 2014/15 savings identified within the Business Case have not been delivered due to the reasons set out above the Contact Centre has been implemented and the provision of a new customer services approach continues to progress. The business process mapping exercise successfully centralised transactions within the Contact Centre and streamlined some processes.
- 4.7 The Customer Contact Centre is currently handling over 4,500 telephone enquiries per month that were previously dealt with by individual services. The target for responding to enquires was 80% and the Contact Centre's current performance is 70%.
- 4.8 Through comprehensive training and access to various back office systems, the Customer Service Advisors (CSA's) have significantly reduced the need for calls to be transferred to service areas thus providing services with the ability to concentrate on other areas and improve quality of their service.
- 4.9 At present the Customer Contact Centre are handling telephone enquiries and general email enquiries for Streetscene & Environment, Planning & Building Control, Licensing, Housing Estates, Housing Re-registration, Environmental Health and Electoral Services. The CSA's retain a vast amount of knowledge and deal with a wide range of enquiry types, such as reporting a missed refuse collection to arranging a housing tenant's rent payment contribution.

- 4.10 Officers have and continue to monitor statistics on calls received and dealt with on a continual basis in order to manage performance and identify areas of improvement. Work is now underway to develop and enhance these performance reports and statistics to enable a greater understanding of the work of the Contact Centre and drive future developments and to remove avoidable contact in the future.
- 4.11 Monthly feedback meetings are held with the above service areas to identify areas of improvement and/or additional enquiries that could be undertaken. Future work with other service areas, including Housing Needs and Finance is in progress to enable the Customer Contact Centre to handle their enquiries. In addition, other areas of customer contact are to be explored such as webchat and expanding the SMS text service currently provided.
- 4.12 As advised elsewhere in this report the Customer Access Strategy will identify future priority areas for channel shift to enable further resident self service through the Council's website providing future benefits.
- 4.13 Once the strategy has been approved investigations into a suitable Customer Relationship Management (CRM) will take place to ensure that an appropriate system is selected to meet business needs. Future work will also be required on providing end-to-end transactions, and linking those transactions to the council's back office processes through the use of middleware.

5. Reasons for Recommendation

- 5.1 To enable the Council to deliver effective and efficient customer services.

6. Consultation

- 6.1 No consultation required.

7. References to Corporate Plan

- 7.1 Delivering an effective and efficient customer services will help meet the Modern Council key priority.

8. Implications

Financial Implications

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- 8.1 The Half Year Review (reported to Finance & Resources Committee - 29 October 2014) recognised the non delivery of the anticipated savings for 2014/15. Further work regarding the recalculation of potential savings will be incorporated within the Medium Term Financial Plan.

Legal Implications

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- 8.2 This report demonstrates that the Audit and Scrutiny Committee is conducting its work programme under the Local Authorities (Committee System) (England) Regulations 2012 to 'review or scrutinise decisions made, or other actions taken, in connection with the discharge of any functions of the authority'.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 8.3 None

9. Background Papers (include their location and identify whether any are exempt or protected by copyright)

- 9.1 28 June 2013 Strategy and Policy Board – Customer Services Transformation (Outline Business Case)
- 9.2 20 November 2013 Strategy and Policy Board – Customer Services Transformation (Detailed Business Case)
- 9.3 30 September 2014 Audit and Scrutiny Committee – Internal Audit Progress Report
- 9.4 29 October 2014 Finance and Resources Committee - (Half Year Budget Review 2014/15)

10. Appendices to this report

Appendix A - Detailed Business Case

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