

Executive	Classification: Open	Date: 29th July 2003
From: Chief Executive (Assistant CE (I&D))		Title: Customer Service Centre and Modernisation Programme Quarterly Monitoring report

Recommendations:

That Executive:-

1. Confirms the vision for the CSC at **Appendix A**.
2. Notes the changes to the CSC procurement timetable.
3. Notes the need to consider the implications of the CSC in formulating the Council's budget for 2004/05.
4. Comments on the monitoring report on the full modernisation programme (**Appendix B**) – to be laid around at the meeting due to format of documents.

Background

1. Council assembly on 24/2/03 agreed a substantial investment in service modernisation. These funds along with existing ICT budgets equate to:-
 - The procurement of a customer service centre (£1.820M)
 - Capital investment in the ICT infrastructure – (estimated £2.5M with £0.4M revenue)
 - Capital investment in ICT to support service modernisation (£3.376M with £0.376 revenue)
 - Contribution to Housing repairs - call centre and CSC procurement process – funded from HRA - £0.5M
2. Given the scale of the programme it is clearly important that this is effectively managed to ensure a return on investment (either by improved efficiency or service improvements / innovation).
3. For each project within the programme, the following has been or is being produced:-
 - *A business case*
 - *A project initiation document outlining project outcomes, cost and key accountabilities*
 - *A project plan*
 - *A issues / risk register*
4. The monitoring reports have been produced to reflect progress for each project.
5. The next part of this report explains the key programme areas:-

Key Programme Areas

Procurement of the Customer Service Centre.

6. Progress with the CSC has been made in a number of areas since the Council Assembly decided to proceed with the procurement of a private sector provider:
 - A Bidders' Conference was held on 11 March 2003 to engage the market's interest. Over 60 companies attended.
 - A core project team has been established, with the appointment of a senior project manager and three project managers. They joined the Council between early April and mid-May. They are located in the Modernisation Programme Office in East House.
 - Expressions of Interest have been invited from the private sector with a closing date of 30 May 2003. Fourteen companies responded (more about this later in the report).
 - Specification of the services included in the CSC scope started in the first week of May (more later).
 - Building of the Business Case model, to help the Council assess affordability amongst other things, commenced in May. The model is dependent on the completion of the service specification process for accurate input data e.g. volumes
 - Drafting of those elements of the Invitation to Negotiate (ITN) that are not dependent on the completion of the services specifications, started in June.
7. Associated work managed within the CSC team includes:
 - Re-organisation of the Switchboard and former Environmental Contact Centre to create the Corporate Contact Centre (CCC) under a single management structure
 - Creation of an Housing Repairs call centre (due to transfer to the CCC for go-live in October 2003)
 - Review of the options for the Revenues and Benefits Call Centre operated by Liberata, including inclusion in the scope of the Customer Service Centre
 - Review of Face-to-Face service delivery (with a view to rationalisation).
8. The CSC element of the modernisation budget comprises the following:-
 - *Modernisation programme office costs (£420,138)*
 - *Legal Fees (estimated £120,000 over 18 months)*
 - *[Forward@Southwark](#) - the change programme associated with the modernisation programme (£210,000)*
 - *Main consultancy contract to support the procurement programme and development of the business case (£800,000 over 18 monthly)*
 - *Funds to backfill staff (to assist departments in releasing staff to undertake the procurement process (£70,000 over 18 months)*
 - *Additional support – expert advice, documentation, PR, workshops etc (£300,000)*

CSC Vision

9. The specification writing process (producing 136 service specifications over an 8 week period) has led to some interesting debates about what should, and should not be in the CSC. In terms of resolving these debates, it has become clear that more work is needed in terms of communicating the vision for the CSC.
10. Therefore, the CSC Project Team held a workshop on 25 June 2003 to check its understanding of the CSC vision and the policy context. A number of current issues affecting the CSC were examined.

11. Following the workshop a CSC vision document was put together which draws on and updates previous work by Andersen Consulting and PA Consulting. A copy is attached at **Appendix A**. Executive is asked to endorse the Vision document and to confirm that this should form the basis for discussions in determining the scope of the service specifications

CSC Procurement Timetable:

12. It has been a key principle of the modernisation programme that best practice in terms of project and programme management should be deployed. Key elements of this are risk assessment and regular review of the project plan. It is good practice to acknowledge, as early as possible, where timescales become non-achievable and to take mitigating action.

13. One of the early risks identified for this programme, was a concern that innovation should not be driven out by the tightness of the procurement timetable. To minimise the risk of this happening, it is proposed to extend the period of time allocated to the preparation of the Invitation to Tender (ITT). According to the original timetable the ITT was to have been issued on 29 August 2003. Five weeks have been added:

- to permit a greater element of challenge to the scope of the CSC that is emerging through the process of specifying services
- to allow more time to draw together the constituent elements of the ITT into one document and to check it thoroughly

14. A further two weeks has been added to the period for tender preparation. This does not impact on the 'going-live' date for the CSC.

15. Key dates now become :

- Announcement of CSC tenderers' shortlist – 18 August 2003
- ITN issue – 6 October 2003
- Pre-tender clarification period – October 2003 to January 2004 inclusive
- Receipt of tenders – 2 February 2004
- Evaluation and Negotiation period – February to May 2004 inclusive
- Contract award – June 2004
- Start of service provision – January 2005.

Specifying Services within Scope of the CSC

16. There are currently 136 service specifications being managed by the CSC Project Team. Twelve of these are Education services which have been rested pending a resolution of W S Atkins contract negotiations.

17. Currently, Project Team members are reviewing quality and scope with service managers across the totality of specifications. The specifications will then be submitted to the responsible senior manager for comment and approval.

18. Senior managers at SMT level have been asked to sign off the specification(s) for which they have responsibility, by 18/7/03 and to challenge pre-conceptions and traditional ways of working.

19. The revised total scope of services, following an SMT challenge process, will be summarised for the CSC Project Board in the week commencing 28 July 2003. Any service specifications that appear to be un-ambitious in scope will be referred to a process of peer review in the week commencing 4 August 2003.

20. Any recommendations from peer review will be referred back to the appropriate SMT, but meanwhile they will be adopted by the CSC Project Board (many CSC ITT documents are

dependant on the specifications and cannot progress until the specifications are finalised).

21. In summary, the timetable for the completing the specifications over the next few weeks is:

- Senior Manager approval – by 18/7/03
- SMT challenge – 21/7/03 to 25/7/03
- CSC PB – 28/7/03 to 1/8/03
- Peer Review – 4/8/03 to 8/8/03

CSC PQQ Evaluation

22. Fourteen Expressions of Interest (EOI) were received by 30/5/03. Subsequently, one company withdrew.

23. The financial evaluation of the EOIs was completed on 13/6/03. Three companies did not proceed beyond this stage.

24. The initial stage of the technical evaluation (General, Human Resources, ICT, Property and Facilities Management, Contract and Best Value and Customer Service) was completed on 27/6/03. This was followed by a consistency check, which is continuing. A number of companies gave inadequate answers to different sections of the PQQ. They are being given the opportunity to provide additional information. This will be evaluated and then the evaluation completed with the shortlist announced publicly on 18/8/03.

25. A verbal update will be made at the meeting.

Risk and Issue Management

26. Issues are “problems” that are immediate and require resolution. Risks are matters that might occur and are rated according to impact and probability.

27. CSC Project Team held a risk identification session on 28 April 2003. The risks identified have been captured in the CSC Risk Register and are being managed through the project plans for the various streams of work that comprise the CSC procurement. The Risk register was reviewed in June 2003 by the corporate Risk consultant who has been retained by FMS to introduce a corporate approach to risk management.

28. The risk session was followed by a workshop on 25 June 2003 that took a stock check and examined the CSC from the vision outwards. A large number of issues and a smaller number of new risks were identified at the workshop.

29. Issues have been captured in the CSC Issue log. The key ones are the commercial ones that require resolution in order to safeguard the Council and complete the production of the Invitation to Negotiate. Examples of commercial issues would be:

- whether to structure the contract as a services contract or as a Private Finance Transaction
- partnership arrangements – how to ensure that innovation is brought to the Council
- how to structure the payment and performance mechanism to incentivise achievement of service levels.

30. Issues are resolved by the relevant project manager in the first instance, but if the issue is beyond their competence there is a process of escalation so that decision-making is at the appropriate level.

31. Risks are also managed by project managers and then escalated if necessary if there is threat to the CSC programme. Key risks include:

- “putting all our eggs in one basket”
- the loss of the discipline imposed by competition when “preferred bidder” stage is reached in negotiations
- the loss of key individuals from the CSC procurement
- the failure to persuade colleagues within the Council of the value of the contact centre approach to improving customer service.

32. The Overview & Scrutiny Committee at the meeting on 9 June 2003 discussed its work programme for 2003/04. It added the management of the major risks associated with the CSC procurement. A timetable has yet to be agreed with the Chair of the Committee.

Budget Issues and the CSC Business Model

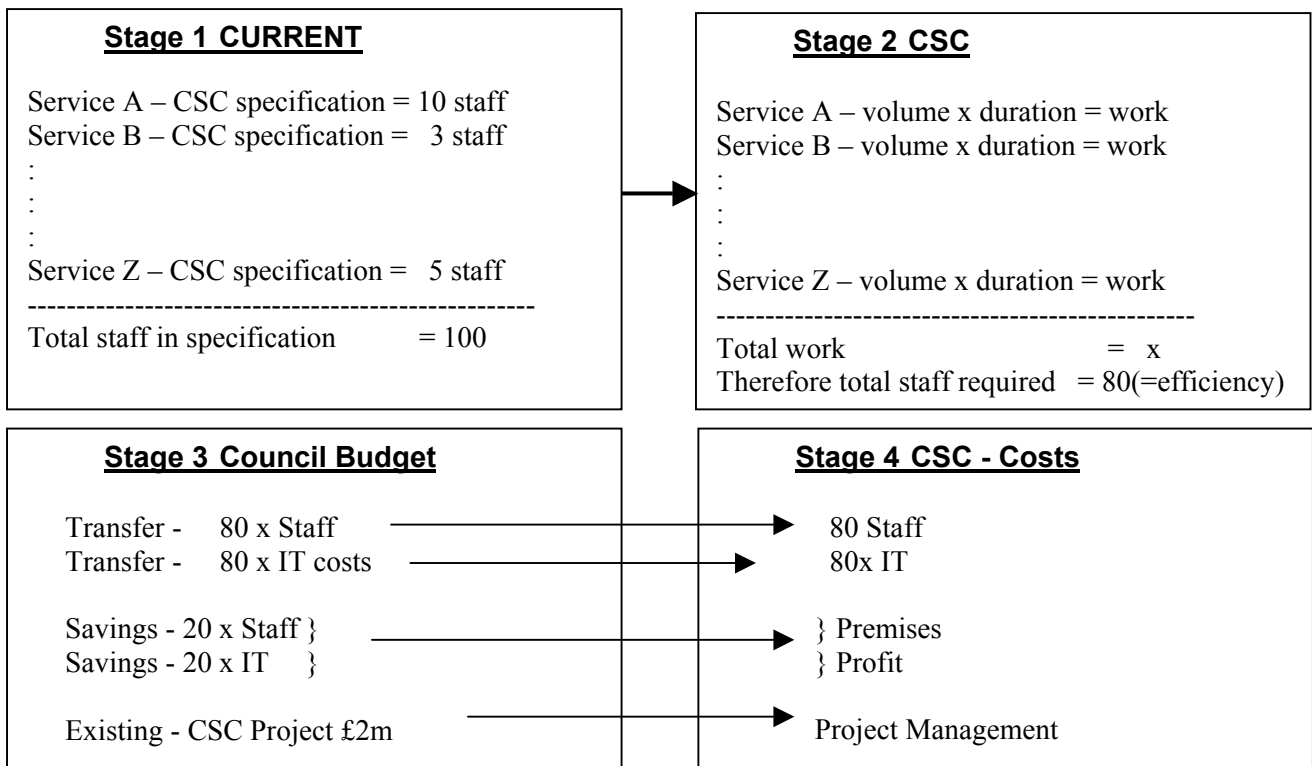
33. Departments are preparing their budgets for 2004/05. There is a need to take into account the CSC business model during that process.

34. The CSC’s costs will need to cover:

- Staff
- IT
- Premises
- Profit
- Set-up/project management
- Client function

35. And, aside from the step change in customer service and how we work, the CSC is expected to “save council tax payers money in the longer term through increased efficiency”. A decision will be needed on what is reasonable in this respect.

The Business Case – A Simple Overview



36. Estimated costs will be available during August, in time for the budget process in the autumn.

Face to face review

37. Under the [Forward@Southwark](#) programme, a team has undertaken a review of all face-to-face service points. This review has brought together a range of customer data sets to enable members to consider a longer terms strategy for this element of service provision. A report will be available for a September Executive meeting.

Modernisation Programme Monitoring

38. Over the last few months, much work has been taking place in seeking to introduce effective programme management – ensuring that projects are aligned to:-

- Support the CSC
- Focus on service modernisation
- Result in a fit-for-purpose ICT infrastructure

39. This has been challenging – and is still ongoing, however, a complete list of the current programme is now available. This is called the Modernisation Programme (MP) monitoring report and tracks both progress on the delivery of outcomes with expenditure on all projects within the Modernisation Project will be tabled at the meeting as **Appendix B**.

Capital Investment in the ICT infrastructure

40. This programme has a two-stage process. ITNET have been requested to undertake a complete review of the existing architecture and infrastructure and to propose a programme of work to take place over an 18-month period. The review is considered essential as to-date work on the infrastructure has been undertaken in a fairly ad-hoc way. There is considered to be long-term savings to be made from server rationalisation and a redesign on the network architecture. To ensure best practice is an integral part of this process, another provider is being sought to challenge the findings and ensure that all options are considered.

Capital Investment in Service modernisation

41. This is a combination of existing and new projects, primarily driven by the IEG2 plan agreed for 2003/2004. The programme will be further developed by the IEG3 process that has now started.

42. Since funds were awarded in February 2003, a review has taken place of all ICT projects to understand what stage they are at and to challenge the extent to which they are likely to deliver major service improvements.

43. Each project has had to produce a business case and a scoring mechanism has been deployed to decide which projects should be recommended for funding.

44. The projects that are proposed for this financial year are:-

- **One stop change of address** – web application to residents to inform us of a change of address (£45K revenue)

- **e-procurement** – this project is being reviewed to develop a more robust business case while developing on-line catalogues for major suppliers – (estimated £100K this year to extend existing SAP functionality)
- **e-forms/e-bookings** – target to e-enable all forms by 31/3/04 and provide some on-line bookings (book renewals a priority) – estimated cost £90K
- **Web -portal to web enable Council applications** - for staff/members and partners – this project enables the council to web-enable a range of applications (outlook, intranet, SAP), so that they can be accessed both at the desk-top and from any PC via a single log-in subject to agreed access rights being given – estimated cost £400K – business case being developed
- **e-payments** – this is being re-scoped alongside the existing work that is taking place in housing to make this a basis for all e-payments across the council – likely infrastructure costs of around £300K - but is instrumental in e-enabling other services that depend on the web architecture
- **GIS/NLPG (Geographical Information System/National Land and Property Gazetteer)** – on-going project. £230K revenue, £348K capital (looking to capitalise revenue costs)
- **NLIS (National Land Information System)** - £130K capital – will result in an automated land charges service
- **Street-workers / Nuisance vehicles** – two-way reporting/delivery – e.g. call centre to operatives – operatives to back-office systems – extension of existing work including links to DVLA datasets – estimated £100K – but more work being scoped.

45. We are proposing that for the next three months, we focus on delivering these projects and then look at other projects on a rolling basis.

1. Documentation on the

Background Papers	Held At	Contact
<i>Title of document(s)</i> CSC – Bidders conference	<i>Title of department / unit</i> <i>Address</i> CSC can be found at www.southwark.gov.uk	<i>Name</i> <i>Phone number</i> Kevin Peters 02075250639

Audit Trail

Lead Officer	<i>Bill Murphy</i>
Report Author	<i>Bill Murphy</i>
Version	<i>2</i>
Dated	<i>17/7/03</i>
Key Decision?	<i>No</i>
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER	

<i>Officer Title Chief Executive</i>	Comments Sought Yes	<i>Comments included</i> Yes
Borough Solicitor & Secretary	Yes	No
Chief Finance Officer	Yes	No
Executive Member	Yes	Yes/No
Date final report sent to Constitutional Support Services		18/7/03



[CSC Progress Report - Appendix A]

Customer Service Centre

Southwark putting the customer first

27 July 2003

Introduction

The Southwark Customer Service Centre, (CSC) concept has been developed over the past two years, and the project is now approaching the final stages of specifying the contract that it will offer to the private sector.

Following a CSC “Back to Basics” workshop held on 25 July 2003, it was felt that it would be helpful to restate the vision, attempting to define in greater detail the scope of the CSC. This will bring together the different iterations of the vision and provide the basis for briefings going forward that will help ensure a common understanding of the vision and scope of the CSC.

This paper is based on a vision paper dated May 2002, with updates reflecting briefings since that time, scope of services work completed for the issues of the bidder prospectus, and comments from the Back to Basics workshop. The vision is intended to set out the aspirations for the CSC, although we recognise that it will not contain all services or achieve all targets aspired to from day one.

The sections of this paper are

- The vision – outline of the vision for the CSC
- Questions of scope requiring clarification
- Scope of services included in the CSC – the proposed phasing approach to inclusion of services and the principles guiding the decision to include services

The Vision

The CSC will provide the people of Southwark with one-stop, seamless access to a wide range of local services by providing end-to-end processing for the Council's high priority high volume services and efficient enquiry handling for all services [within scope]. Redesigning service delivery around the customer will dramatically improve customer views of our service, and lead to significant operational efficiencies, both in those services within the CSC and those remaining in the council.

It will provide easy, friendly and accountable, *one stop* resolution of [80%] of customer's queries. For those queries that cannot be resolved within the CSC, they will help customers navigate their way through Council services. As a principle, resolution means dealing with the maximum amount of a customer transaction with the Council. For example, if there is an enquiry about adoption and fostering, the CSC will not just provide information about who to contact, but if appropriate, will also actually book the appointment for interview with a social worker.

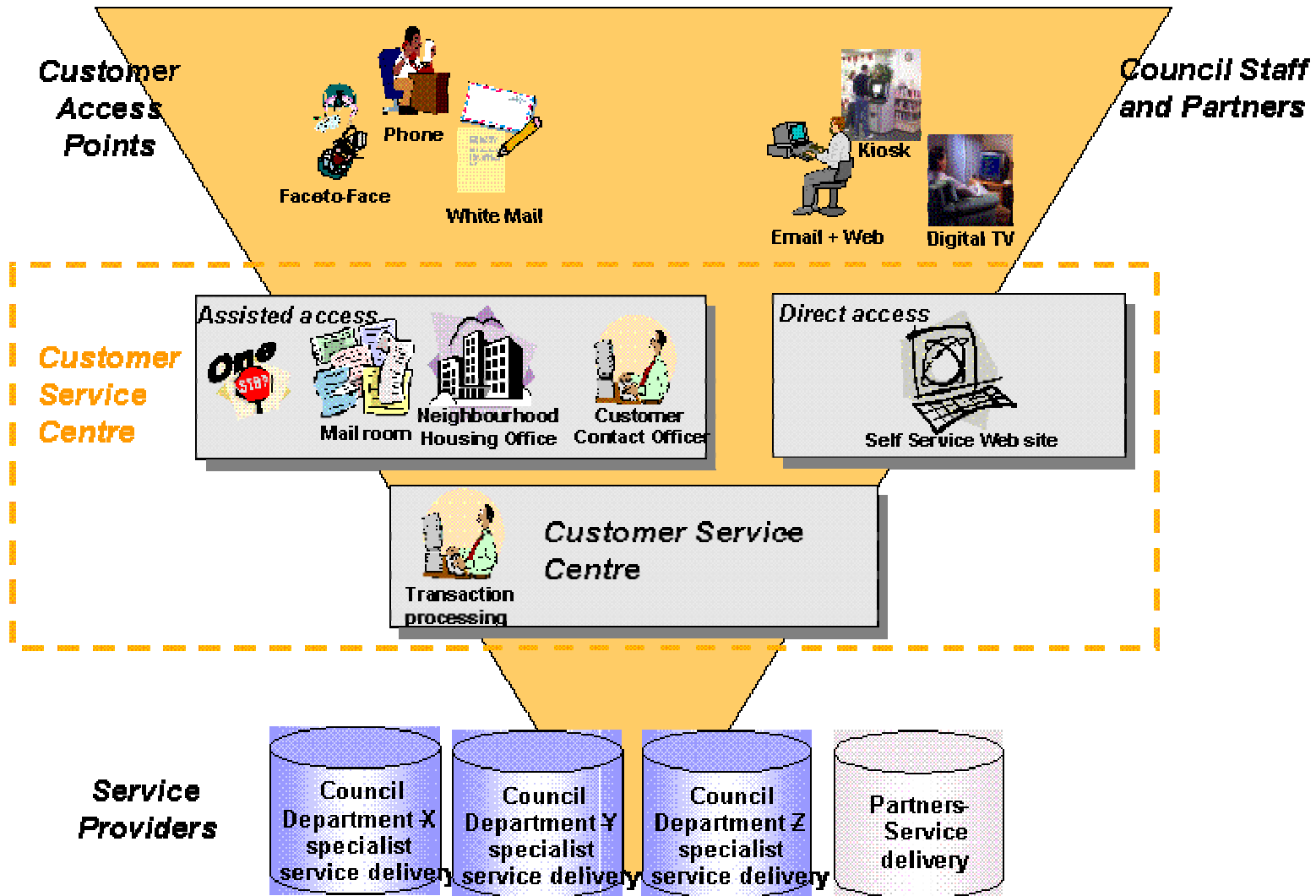
Where the CSC passes on an action to other parts of the Council, it will act as customer advocate and as a single point of contact for progressing the resolution and providing feedback on its status, for example housing repairs.

The CSC will also allow access to services for Council staff and partners, for example mobile workers or police needing to report an abandoned vehicle or checking the status of the report.

The CSC will drive innovation and transformation of the provision of Council services. We will not just transfer service provision as it is currently arranged into the CSC, but also challenge how it can be improved. Where back office services continue to be provided by the Council, the customer focus of the CSC will allow us to reorganise our back office services to provide a better, more efficient service.

Whilst our local residents and local businesses make up the majority of our customers, the CSC will also provide services to local partners such as the police and fire brigade, to members, and to out of Borough customers in all these categories. For certain services Council staff will also be customers.

Diagram 1 – overview of Customer Service Centre



The benefits we are looking for through the CSC include:

- For Customers:
 - Multi channel access to Council services, through traditional routes such as telephone and mail, and new routes such as web access for self help, kiosk or digital TV, and other channels if appropriate in the future
 - Calls answered within an acceptable period
 - A single number to call for all Council business; no routing through switchboard; no searching for the right number or department
 - A call (or other channel) dealt with by someone who can either resolve the issue on the spot, or ensure that it is resolved, by “owning” the end-to-end delivery of the service, including tracking, feedback and follow up
 - Responses will not be dependant on the individual operators knowledge, they will be supported by a CRM solution
 - The CSC should be able to organise an appointment or visit without “handing off” the customer (in most cases)
 - Multiple queries can be dealt with in one call

- For the Council
 - Reductions in transaction times and staff effort
 - Reductions in unnecessary administration and hand offs between departments
 - Faster, more accurate handling of customer queries, with fewer complaints and less duplication
 - Freeing specialist staff from routine enquiries
 - Generating centralised economies of scale as services are restructured to take account of new processes

- For our staff
 - Increased job satisfaction, by empowering trained staff to manage customers’ queries through various levels of transaction processing, and ultimately follow the customer through to a satisfactory query resolution
 - Better working environment

- And to further improve service delivery through:
 - Capturing and analysing customer transaction data, building up accurate information on how well Council services match community demands
 - Tracking individual transactions overtime, enabling us to assemble the right packages of service, tailored to the needs of individuals
 - Using CRM and other data capture software to build knowledge of operational black spots, customer service standards and internal best practice
 - Using data to make better decisions about resource allocation and remedial action for poor services

Customers will be able to access the CSC:

- Directly using:
 - *Traditional routes*, namely letters and faxes and telephone
 - *New technologies*, such as: the Web; email; digital TV; or kiosks
- With helpful assistance through:
 - *Existing channels*, such as One Stops, First Stops and other council service points

Irrespective of which channel customers use to access the CSC, they will be getting the same information and the same services through a unifying 'portal' that will provide access to the local service delivery systems – allowing them to answer queries and to apply for services.

The *customer service centre* will:

- Employ at least 100 customer contact staff drawn from Council employees
- Apply the latest technologies, including 'customer relationship management' software that will allow customer contact staff to track customer queries, service requests and complaints
- Have access to up-to-date local service information that is reliable, consistent and user friendly
- Preferably, but not necessarily, be located in Southwark.

Southwark's core business is providing community services, not managing a customer service centre. Hence, we will be looking to our partners to manage the centre to ensure the best possible service and value for money.

The Scoping Principles

There are several useful principles to understand what services should be included in the CSC. The Council vision is that ultimately wants to see all services that are customer facing being handled by the service centre. This should not just be limited to dealing with enquiries and complaints, but completing the transaction by taking payment, issuing permits, making appointments etc. The broad principles for specifying a service as in scope of the CSC are:

- If there is not a good reason why a service should be out of scope, then it should be in scope
- Initial contacts and general queries for ALL Council services should be included within the scope of the CSC unless there is a very good reason why not. An example of a service to be excluded might be if the service is purely internal, ie with no customer or council partner (such as the police) facing element.
- All services with a high volume of transactions should be included
- All high priority services should be included

Example: Noise complaints, the CSC would take the complaint, pass it on to the field team, track the progress to ensure the field team visit within the target time, or to cancel if the customer rings back to say the noise has ceased, and manage the follow up for the person making the complaint. The CSC would therefore handle all the customer facing processes, and act as advocate to help meet targets.

We recognise that it will not be possible to include all services from day one, but the wish is that enquiry and complaint handling is taken into the CSC from the beginning, together with transaction processing wherever possible. The intention would then be to increase the amount of transaction processing over time.

Characteristics that would include a service in early phasing are:

1. Ability for generalist staff to resolve – supported by the appropriate customer management tools
2. Nature of enquiry – where it is typically completed at first point of contact, rather than requiring significant and lengthy research to respond
3. Political priorities – where there is strong community support for improving access to the service
4. Customer benefits – where there are significant benefits to the customer from improving access or processing
5. Volumes – if the service entails large volumes of customer contacts or transactions
6. Ease of transfer – for example if a separate dedicated customer unit is already carrying out the customer facing component
7. Contractual constraints – if an existing service is currently outsourced and so this may act as a barrier to early inclusion. However, we will be asking all services to details existing contracts and will make a decision on a case by case basis as to whether they should be included in the CSC, and the timing of this inclusion.