

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Portfolio Holder for Internal Services, Performance and Business Development and the Director of Commissioning

To: Cabinet – 6 September 2011

(Author: Marcus Coleman, Operations Director, Compass Point Business Services (East Coast) Ltd)

Subject: A Step Change Improvement in Customer Service: Implementing the New South Holland District Council Telephone System

Purpose: There is an opportunity at South Holland District Council to introduce a new state-of-the-art telephone system and provide a much improved customer service experience whilst ensuring excellent value for money. Councillors have requested clarifications about certain aspects of the system and this report provides additional information in that regard.

Recommendation(s):

It is recommended that the Cabinet approve the implementation of the new telephony system as outlined in the report at Appendix A.

It is anticipated that this report will result in the Cabinet making a non-key decision. The decision will be subject to call-in.

1. INTRODUCTION

On 1 August 2010 South Holland District Council and East Lindsey District Council established a joint venture company called Compass Point Business Services (East Coast) Ltd (CPBS). The company was set up to deliver £30m in savings over 10 years by providing efficient back office service functions for the two councils.

In this first year CPBS has set about designing and implementing a range of technology applications and process changes in order to create a 'best in class' service delivery environment. The changes included the introduction of a new telephone system.

Councillors had made various observations about aspects of the new telephone system. This paper provides councillors with additional information in response to those observations.

On the 9 August 2011 a report was presented to a Special Joint Meeting of the. Councillors debated the proposal to introduce a new telephony system, and concluded they wished to recommend to Cabinet the introduction of this system subject to certain assurances, which are listed elsewhere in this report.

Having reviewed the information in this report and taking into account the recommendation of the Special Joint Meeting, it is recommended that Cabinet formally approve the implementation of the new telephony at South Holland.

The Special Joint Meeting of Performance Monitoring Panel and Policy Development Panel concluded with the decision below:

- DECISION: That in principle, the Panels support installation of the new telephone system, subject to the following:
- (i) That the list of options available for callers be placed in order of frequency of use;
 - (ii) That a seventh option for callers to be connected to a Customer Services Advisor be added;
 - (iii) That once an option had been selected, customers should have the ability to be transferred to an officer in the first instance. Whilst it is accepted that voice mail may have a part to play, it should never be the norm and only used when no other solution is available;
 - (iv) That more work be undertaken with regard to the Planning options and that these proposals are made clear before being presented to the Cabinet;
 - (v) That the telephone message be recorded in a local voice, but with longer pauses between options; and
 - (vi) That consideration be given to when South Holland customers called to make a payment and were transferred to the automated payment system, that this number be a local 01775 number rather than the current 0845 number that would be more costly for customers to use.

2. ALTERNATIVE OPTIONS

The alternative to introducing the new telephony system would be not to do so, but this decision would mean that South Holland would continue to experience the below par performance.

3. REASONS FOR RECOMMENDATIONS

The Council need to change the way it handles customer calls in order to improve its performance.

The overall joint delivery proposed during the redesign of Customer Services following the formation of Compass Point Business Services (East Coast) Ltd was predicated on the creation of a virtual contact centre model allowing for overflow call answering across more than one site. The new operating model needs to apply to both authorities in order to realise the savings required.

The Council has already bought into the new technology and the implementation would be the realisation of that investment.

4. IMPLICATIONS

4.1 Risk

The key risk facing the Council relates to the possibility of local residents being unable to contact the Council quickly and efficiently if the existing telephone system is not replaced.

4.2 Financial

Investment in the telephone system has already been made as part of the wider development of Compass Point Business Services (East Coast) Limited.

4.3 Legal

There are no legal implications.

4.4 Equality and Diversity

A full Equality Impact Assessment has been made and the assessment has not found any new issues caused by the introduction of the new system. In addition to the Assessment additional input has been received from two representatives of disabled groups introduced through the Portfolio Holder, Cllr Taylor.

4.5 Carbon Footprint

The new telephony system will make contacting the Council a much easier task than before and will encourage more people to choose the to transact with the Council in this way rather than travelling in person to Council Offices.

4.6 Constitution

There are no constitution implications.

5. ALIGNMENT TO COUNCIL PRIORITIES

The new telephone system is part of the Council's new joint venture with East Lindsey District Council. It is a key element of the service infrastructure helping to deliver efficient and effective access to services for local residents.

6. WARDS/COMMUNITIES AFFECTED

The new telephone system will enable residents in all wards of South Holland to access the Council efficiently and effectively.

Background papers:- None

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Appendices attached to this report:

Appendix A:

A Step Change Improvement in Customer Service:
Implementing the new South Holland District Council Telephone System

Appendix B:

Minutes of a special joint meeting of the Performance Monitoring Panel and Policy Development Panel held in the Council Chamber, Council Offices, Priory Road, Spalding on Tuesday 9 August 2011

SOUTH HOLLAND DISTRICT COUNCIL

6 SEPTEMBER 2011

**A STEP-CHANGE IMPROVEMENT IN CUSTOMER SERVICE:
IMPLEMENTING THE NEW
SOUTH HOLLAND DISTRICT COUNCIL TELEPHONE SYSTEM****1. BACKGROUND**

- 1.1. On 1 August 2010 South Holland District Council and East Lindsey District Council established a joint venture company called Compass Point Business Services (East Coast) Ltd (CPBS) to deliver £30m in savings over 10 years. Both councils have transferred their front and back office support functions – ICT, HR, Finance and Customer Services together with Revenues and Benefits services into CPBS. The two Councils set up the company in order to deliver service efficiencies and to be able to offer services to other public sector organisations.
- 1.2. In this first year CPBS has set about designing and implementing a range of technology applications and process changes in order to create a ‘best in class’ service delivery environment. These technology and process improvements have enabled resources to be targeted effectively.
- 1.3. For customer services, a new state-of-the-art telephone system was specified and procured to replace aging systems that were not fit for purpose. This system has been implemented at East Lindsey District Council where it has helped to meet and exceed customer service targets. We now have an opportunity at South Holland District Council to introduce the same arrangements and link to the CPBS system to provide a much improved customer service experience. Councillors have requested clarifications about certain aspects of the system and how it would operate at South Holland.

2. SYSTEM BENEFITS

- 2.1. The new telephone system presents the two councils with a number of benefits. These are set out as follows:
 - Automated greeting that reduces the length of time a customer has to wait to be connected and delivers the highest percentage of calls that can be answered in 20 seconds
 - Ability to cope with high demand by load sharing across more than one location, this will minimise the number of abandoned calls
 - Calls are automatically ‘routed’ to the person with the best skills to answer the customer’s call
 - All automated messages can be changed quickly and easily, allowing information to customers to be altered to reflect an unforeseen occurrence or emergency, e.g. refuse lorry breakdown or flooding
 - Prepares the way for other channels of communication including, web and instant messaging, for example.
 - Automatic management of all queues to minimise the length of time customers have to wait

- Greater resilience in case of serious incident or power outage. SHDC telephones could be manned from ELDC and visa versa. This is not possible with the current system

3. COUNCILLORS' OBSERVATIONS

3.1. The following observations were expressed previously by SHDC Councillors:

- Councillors were not in favour of customers having to use 'voice recognition' software (i.e. "talking to a machine").
- Councillors wanted Customer Service jobs to remain locally based – they did not want a remote (or "off-shored") call centre.
- Councillors wanted to ensure that customers could speak to a person if they wanted to.
- Councillors wanted to ensure that they were able to contact SHDC officers directly if they wanted to.
- Councillors wanted the number of options on routing menus to be kept to a minimum.

3.2. These observations have now been addressed as follows:

- CPBS confirms that 'voice recognition' software will not be used.
- CPBS confirms that all customer services jobs will be locally based. There will be no 'off-shoring' of jobs.
- CPBS confirms that the system will allow customers to speak with an advisor.
- CPBS confirms that Councillors will be able to contact SHDC officers either via direct dial or extension numbers if they so wish (refer to direct dial contact sheet provided).
- CPBS confirms that 'push-button' routing menus will be kept to a minimum.

4. PROOF OF CONCEPT: PERFORMANCE OF THE SYSTEM AT EAST LINDSEY DISTRICT COUNCIL

4.1. The implementation of the new system at ELDC provides a useful benchmark to gauge how successful the new arrangements have been. Figures quoted are as at June 2011

- Abandoned calls: the percentage of callers who ring-off before their call is answered is only 3%. This compares to 15% at South Holland for the same period
- Calls answered within 20 seconds: the percentage of calls that are answered at ELDC within 20 seconds is 83%. This compares to only 45% at SHDC even though the measure there is 'calls answered in 30 seconds'
- Average wait time: At ELDC this is 15 seconds whereas at SHDC it is 110 seconds

4.2. The brief overview of performance provided above gives CPBS confidence that the new system is working and working well. By contrast, the current telephone answering arrangements at SHDC are very poor.

5. KEY FEATURES OF THE NEW TELEPHONE SYSTEM

5.1. When calling the Council, callers are greeted by a polite welcome message; following this the customer will be given the opportunity to connect directly to a service or officer by entering an extension number. If they have not been provided with an extension number they will be asked to select one of six options. If they do not select an option they will be routed through to a customer service advisor.

5.2. The six options in order of frequency are:

- Housing & Council Tax Benefits
- Council House Repairs
- Making a payment
- Council Tax and Business Rates
- Housing
- Planning

5.3. The system is set up to ensure that customers are routed as quickly as possible to a member of staff best able to handle the specific enquiry. Once the caller is connected to the system they will hear announcements and make choices to enable them to be routed to the expert. The length of time for this process is about 30 seconds and this is in line with industry standards. Having selected one of the options by pressing a number on their keypad, customers are taken either straight to that service area where this has been agreed with the service; or to customer services. In some service areas the nature of the business is more varied, for example Revenues and Benefits, so for these services customers are presented with a second set of options designed to route them to a specialist member of staff best able to deal with their request.

In the event that all SHDC service staff are unavailable the call will be routed back to a customer service advisor who will take a message or arrange a call-back if requested. A complete picture of call flows is provided as Annex 1 to this report for information only.

5.4. An added advantage of the new system is that customer advisors at both ELDC and SHDC can be skilled to take each others calls, utilising the new Customer Relationship Management (CRM) software developed by CPBS. This opens up the opportunity for calls to be overflowed between sites in periods of high demand. Whereas in the past these customers would have had to wait long periods before connection, now, by maximising staff resources at all sites, they will be answered quicker.

5.5. Automated, bespoke messages can be created quickly to reflect up to the minute situations, e.g. if a refuse lorry has broken down and customers are calling about a missed collection, then an automated message can be played explaining the reason.

5.6. This system supports a number of useful tools that help to ensure incremental improvement to the service customers receive, such as call recording for training purposes and caller identification – which allows the system to present to the customer advisor CRM information about the caller before they are connected and this will speed up the time taken on the inquiry

- 5.7. The system will still allow Councillors to dial specific officers directly if they have their extension number and do not want to come through the telephone menu system.

6. SCRUTINY OBSERVATIONS

- 6.1. A special joint meeting of the Performance Monitoring Panel and Policy Development Panel was convened on Tuesday 9 August. A resolution was agreed as follows:

DECISION: That in principle, the Panels support installation of the new telephone system, subject to the following:

- (i) That the list of options available for callers be placed in order of frequency of use;
- (ii) That a seventh option for callers to be connected to a Customer Services Advisor be added;
- (iii) That once an option had been selected, customers should have the ability to be transferred to an officer in the first instance. Whilst it is accepted that voice mail may have a part to play, it should never be the norm and only used when no other solution is available;
- (iv) That more work be undertaken with regard to the Planning options and that these proposals are made clear before being presented to the Cabinet;
- (v) That the telephone message be recorded in a local voice, but with longer pauses between options; and
- (vi) That consideration be given to when South Holland customers called to make a payment and were transferred to the automated payment system, that this number be a local 01775 number rather than the current 0845 number that would be more costly for customers to use.

To address these concerns the following actions will be taken:

- (i) The customer menu options will be listed in descending order based on volumes of calls received in 2010/11, as per paragraph 5.2 above.
- (ii) Consider further a method of allowing customers to short cut to Customer Services rather than listen to the whole menu. As a result of this observation from the joint meeting we are investigating best practice with our suppliers, in the meantime we will commit to improving the greeting message to make sure that callers are clear they can speak to an advisor if they wish.
- (iii) Where calls are routed automatically to the back office, Customer Services will encourage every effort to be made to ensure sufficient resources are deployed in the back office to receive those calls, and voicemail will only be used as a last resort. Compass Point will work with the Client Officer at the Council to create a best practice guide and code of conduct for the use of voicemail.

- (iv) The Planning Service has provided the following menu options to be used to route callers to the correct person:

- Option 1 New Applications and Fee Enquiries (diverts to ext 4723)
- Option 2 Building Control (diverts to ext 4557)
- Option 3 Planning General (diverts to ext 4703)
- Option 4 Planning Enforcement (diverts to ext 4723)
- Option 5 Planning Policy (diverts to ext 4641)
- Option 6 Land Charges (diverts to ext 4445)

- (v) A local voice will be used to record the automated messages

- (vi) The current South Holland automated payment facility has been in operation since 2006; it is provided by CAPITA, an external service provider, and handles in excess of 10,000 calls per annum. Information recently received shows that the customer pays a local rate and South Holland District Council pay the difference between this rate and the 0845 rate. The 0845 number has been printed on stationery since 2006 and Compass Point is not aware of any complaints made by South Holland residents regarding the use of this number. Further investigation will be made into alternative options of delivering this service, including the use of a 0800 number, together with associated costs. Full details will be provided before any change is made. Changes would be best made just before the distribution of next year's Council Tax bills.

7. EQUALITY IMPACT ASSESSMENT FINDINGS

- 7.1. A full Equality Impact Assessment has been made and the assessment has not found any new issues caused by the introduction of the new system. In addition to the Assessment additional input has been received from two representatives of disabled groups introduced through the Portfolio Holder, Cllr Taylor.

8. CONCLUSION

- 8.1. CPBS is already delivering a £2.1m saving to both Councils in this financial year. Process and systems improvements have made it possible to reduce staffing. In Customer Services, such changes make a significant contribution to these savings – in excess of £300,000 per annum.
- 8.2. This paper provides additional information for Councillors in response to their previous observations.
- 8.3. The full implementation of the new telephone system would be a key element of the Council's drive to deliver best in class, value for money customer services for local residents. It would also enable CPBS to offer telephony services to other public sector clients potentially creating more local employment opportunities in South Holland and East Lindsey

9. RECOMMENDATIONS

- 9.1. It is recommended that Cabinet approve the implementation of the new telephony system at South Holland, which will be configured to include the items outlined in Section 6 of this report.

Minutes of a special joint meeting of the **PERFORMANCE MONITORING PANEL AND POLICY DEVELOPMENT PANEL** held in the Council Chamber, Council Offices, Priory Road, Spalding on Tuesday 9 August 2011.

PRESENT

Councillors:

B Alcock	A Harrison	R Perkins
G R Aley	M Howard	A Puttick
M D Booth	S Keeble	M D
Seymour		
S M Booth	J King	S Slade
C J T H Brewis	A Miller	E Sneath
A Casson	A M Newton	S Wilkinson
R Clark		

Officers:

South Holland District Council - The Chief Executive and the Principal Member Services Officer.

Compass Point Business Services (East Coast) Ltd – The Operations Director (Marcus Coleman) and the Delivery Manager, Customer Services (Paul Wilson).

In attendance:

Councillor P S Przyszlak – Director, Compass Point Business Services.
Compass Point Business Services (East Coast) Ltd – The Managing Director (Stephen Bayliffe) and the Marketing and Communications Manager (Sue Lawson).

Apologies for absence were received from Councillors D Ashby, F Biggadike, R M Rudkin, D A Tennant, D J Wilkinson and A R Woolf.

146. ELECTION OF CHAIRMAN FOR THE DURATION OF THE JOINT MEETING

Consideration was given as to who should preside over the special joint meeting of the Performance Monitoring Panel and Policy Development Panel.

DECISION: That Councillor B Alcock be elected Chairman for the duration of the special joint meeting of the Performance Monitoring Panel and the Policy Development Panel.

(Councillor Przyszlak left the meeting at this point due to his having a prejudicial interest as a Director of Compass Point Business Services.)

147. **DECLARATIONS OF INTEREST**

The Principal Member Services Officer reported that Councillor D Wilkinson had tendered his apologies for the meeting as he had a personal and prejudicial interest due to being a Director of Compass Point Business Services.

The Chief Executive declared a personal interest due to his being a Director of Compass Point Business Services. However, he did not consider his interest to be prejudicial, and remained in the meeting for the duration of the discussion.

148. **IMPLEMENTATION OF THE SOUTH HOLLAND DISTRICT COUNCIL TELEPHONE SYSTEM**

Members considered the report of the Director of Commissioning which provided the background to and current information on the telephone system for South Holland District Council.

In 2010, South Holland and East Lindsey District Councils had established Compass Point Business Services (East Coast) Ltd, a joint venture company, to provide a number of functions, including Customer Services. For customer services, a new state-of-the-art telephone system had been specified and procured to replace ageing systems. This system had been implemented at East Lindsey District Council where it had met and exceeded customer service targets. An opportunity had now arisen to introduce the same arrangements at South Holland District Council, linking to the system at East Lindsey District Council to provide an improved customer service experience. Councillors had requested clarifications about certain aspects of the system, and the report provided additional information in this regard. It also included information on the benefits of the system, details of its performance at East Lindsey District Council and key features. Appended to the report was a flowchart showing a proposed telephony solution for South Holland District Council.

In addition to the report, members also heard recordings of the message that could be received by callers, one recorded with a 'professional' voice and the other with a local employee.

Members discussed the information within the report, and the following issues were raised:

- Some members of the public did not like automated telephone answering services and it was possible that they would hang up, resulting in lost calls.
- Callers that wished to make a payment via the automated payment system were automatically transferred to an 0845 number. Members commented that this was expensive for callers as it was not a local call.
- The proposed telephone system was a good idea as it would allow a greater volume of calls to be answered.

- The proposals for dealing with telephone calls to the Planning Department were unsatisfactory. Calls should not be routed as easily to voicemail as the proposed telephony solution indicated. Officers explained that voicemail would only be used as a last resort and the new system would try to connect to a person if at all possible.
- Members were advised that if the telephony system was in place at both authorities, there was less likelihood of a call going to voicemail – for enquiries dealt with by Customer Services, should there be no officer available to pick up a call at South Holland, it could be transferred to East Lindsey.
- If a query from a South Holland customer was routed through to East Lindsey, some of the more routine issues could be dealt with as they could be scripted however, not all questions could be answered. With regard to issues dealt with differently by each authority, for example, the collection of refuse, these would again be scripted and the relevant version used in relation to the caller.
- Members questioned why there were so many options for Benefits enquiries – could this not be reduced as more than one of the options would be transferred to a benefits call centre? Officers advised that this was the current proposal as the section dealing with a specific call could change in the future. Setting the system up in this way now allowed for more flexibility in the future.
- Figures giving details of the improvement in customer service should not be the only issue measured. Customer satisfaction with the new telephone system should also be measured and this should be done soon after installation of the system and not a year after it.
- The proposed order of options given to callers was not right – options should be in the order of the highest volume of enquiries.
- A seventh option should be given for callers to choose to be routed through to a Customer Services Advisor, rather than this being a default when they did not select any of the other options.
- Members questioned who owned the system, and they were advised consideration was being given to whether it would be beneficial to move ownership over to Compass Point Business Services.
- Repairs calls for local authority housing were currently being routed through Customer Services. Councillor Alcock advised that the Construction Services Unit Task Group, which had recently reformed, were of the opinion that these calls should be dealt with by the Construction Services Unit itself. The Task Group was still in operation and would present its recommendations in due course.

DECISION:

That in principle, the Panels support installation of the new telephone system, subject to the following:

- (i) That the list of options available for callers be placed in order of frequency of use;
- (ii) That a seventh option for callers to be connected to a Customer Services Advisor be added;
- (iii) That once an option had been selected, customers should have the ability to be transferred to an officer in the first instance. Whilst it is accepted that voice mail may have a part to play, it should never be the norm and only used when no other solution is available;
- (iv) That more work be undertaken with regard to the Planning options and that these proposals are made clear before being presented to the Cabinet;
- (v) That the telephone message be recorded in a local voice, but with longer pauses between options; and
- (vi) That consideration be given to when South Holland customers called to make a payment and were transferred to the automated payment system, that this number be a local 01775 number rather than the current 0845 number that would be more costly for customers to use.

(Meeting ended at 7.40 pm.)

(End of Minutes.)