CALL CENTRE FEASIBILITY STUDY
CONSULTANTS’ REPORT

1. Purpose of Report
To present to Members the report from KPMG following their investigation into the feasibility and desirability of opening a Council telephone call centre.

2. Background
In June 2004 the Customer Services Sub-Committee agreed that we should commission management consultants to carry out a review into the feasibility and desirability of opening a telephone call centre as part of our approach to 21st Century Government. The consultancy brief was approved by Members in November 2004, from which an Invitation to Tender (ITT) was developed by officers and issued to six firms of consultants. Following a detailed evaluation of the tenders, KPMG were contracted to carry out the study. The initial budget for the work was £34k but the tendered price was £45k plus expenses. The difference between budget and final outturn will be covered from Corporate Services reserves.

3. Consultants’ Recommendations
3.1 KPMG’s report is attached at Appendix 1.

3.2 In summary, their conclusions are:
3.2.1 The development of a call centre is feasible. The base technology is already in place: our existing telephony and IT infrastructure provide a sound platform for development.
3.2.2 The development of a call centre is desirable. It is likely to deliver significant improvements in customer service provision, including
   • a more responsive resolution of customer enquiries;
   • the resolution of routine inquiries within the call centre, thus increasing the “productive time” of other staff - a key part of the efficiency agenda in Scotland,
   • better customer service due to a reduction in “service failure” through improved call handling,
   • a clearer perception of the Council by the general public - with the ultimate aim of the council publicising one telephone number for all general enquiries.

3.3 KPMG have provided some indicative costs for starting up a call centre and running it during its first year. The capital expenditure for setting up the call centre is estimated at £97,000 and the first year running costs are estimated at £361,000. It should be noted that these are very rough estimates, and will need to be firmed up during a detailed design stage of the overall project. It is the view of the consultants that these costs could be minimised (if not eliminated altogether) by departments for which the call centre is providing services transferring an element of their budget to support the development.

3.4 Other local authorities have established call centres which, overall, are cost-neutral in terms of annual revenue spent.
3.5 The consultants recommend that *in the first instance* there should be a single main location with about 10 call centre "seats" (there will be more than 10 staff, working shifts), supplemented by other staff based in the local Customer Service Centres. They further recommend that the call centre should be used for making outgoing calls as well as receiving incoming calls. Experience elsewhere suggests that outgoing calls might be useful in, for example, following up bad debts (calls in the early evening peak television viewing slots have been shown to be particularly successful).

4. Discussion

4.1 The consultants have recommended a list of services which are candidates for early inclusion in a call centre's portfolio. Prioritisation of these services is a matter which will require more detailed work by the consultants and by officers. KPMG therefore propose that, subject to Members agreeing to proceed to a design stage, they will lead a workshop aimed at developing a prioritised and phased list of services. The workshop is part of the contract for the current feasibility study.

4.2 The Customer Services Strategy Board recognise that Members are keen to see decentralisation of customer services, and have challenged the consultants on their recommendation that the call centre should *initially* be staffed by agents in a single main location (or "hub"), supplemented by area-based staff. The consultants maintain their advice for the following reasons:

- In the early stages, training and supervision will be eased considerably by co-location of staff in the hub.
- Developing a cohesive "culture" and style of working will be facilitated by co-location in the hub.
- The call centre is likely to develop out of the existing telephone switchboard, drawing staff from the present telephonists, most of whom are based in Dumfries.
- As the call centre grows, there will be an opportunity to expand customer service centres or open hubs in other locations, building on the skills, training and culture that have developed. The hub will provide an ideal environment for training new staff and developing more experienced workers.

4.3 The issue of making the call centre cost-neutral is not simple. Transferring classes of transaction from departments into a call centre will reduce the workload in departments, but may not necessarily lead easily to the freeing-up of people to be re-deployed into the call centre. This is because individuals generally have more than one function, just one of which is enquiry handling. To address this problem, the consultants have suggested that departments for which the call centre is providing services should contribute an element of their budget to support the development.

4.4 Having considered the consultants' report, the Customer Services Strategy Board are of the view that we should proceed with a detailed design stage, including designs and plans for

- business processes
- the physical layout for a call centre
- the supporting telephony and telecommunications
- supporting software, including Customer Relationship Management (CRM)
- human resources, including training
- funding (including addressing the risks associated with budget transfer)
4.5 Some of this work is technically complex and needs to be based on previous experience of call centre design. It also represents a significant demand on officers' time. Whilst it should be possible for officers to undertake some of the work, the Customer Services Strategy Board believe that consultancy support will be necessary in order to achieve a satisfactory outcome in a reasonable timescale.

4.6 Once these products are in place it will be possible to develop a detailed business case which can be presented to Members to enable them to decide whether to proceed to implementation.

5. Consultation
Members of the Customer Services Strategy Board were consulted during the preparation of this report, which has also been consulted with the Corporate Management Team. The Director of Education and Community Services has expressed concerns regarding the cost-benefit case and the consultants' proposal that a call centre could be funded via budget adjustments.

6. Financial Impact
As noted above, the feasibility study is being funded through a combination of the one-off customer services budget which Members allocated in June 2004 and Corporate Services reserves. There are no resources earmarked for the design stage of the study. If it is determined that the best way forward to deliver the detailed design stage is to continue with external consultants it is possible that resources could be found this year from within the overall Corporate Services budget. This however will be dependent on the cost of the design stage and achieving the projected slippage in some of Corporate Services budgets.

7. Staffing Impact
7.1 Consultation with the staff affected by these proposals is critical. We must ensure that they and the relevant unions fully understand the purpose of a call centre development and the way in which it is likely to be implemented. This will form an important part of the proposed detailed design stage.

7.2 Whilst they are not insignificant, staff resources to support the design stage from a user perspective should be available. On the technical side, the Operations Manager Information Services advises that she does not have enough staff with the right skills to undertake the work required; any external consultants brought in should work closely with IS to achieve skills transfer.

8. Risk Assessment
8.1 There are no appreciable risks associated with the design stage.

8.2 Risks will be associated with implementation, including risks associated with transfer of budget from departments to the call centre. The proposed work outlined above therefore includes addressing this risk.
9. Recommendations
Members are asked
9.1 To note the consultants' report;
9.2 To agree in principle to the development of a call centre along the lines described by KPMG;
9.3 To agree to proceed to a detailed design stage;
9.4 To agree to the commencement of consultation with staff and trade unions; and
9.5 To agree that Officers proceed to Stage 2 of the project and if this requires external support then a further report will be brought to the next Sub Committee.

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Dumfries and Galloway Council

Customer Call Centre
Feasibility Study

KPMG LLP
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Notice: About this Report

- This Report has been prepared on the basis set out in our Engagement Letter addressed to Dumfries and Galloway Council (the Client) dated 27 April 2005, and should be read in conjunction with the Engagement Letter.

- This Report is for the benefit of only the Client and the other parties that we have agreed in writing to treat as addressees of the Engagement Letter (together the Beneficiaries), and has been released to the Beneficiaries on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

- We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the Engagement Letter.

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1 Executive Summary

1.1 The report brief

Dumfries and Galloway Council has, for a number of years, considered the potential of developing a call centre. A majority of councils in Scotland already have in place, or are developing, a call centre. The dispersed nature of the population, and the age profile of that population, suggest that a call centre would be of benefit to the Council's customers. The most recent MORI survey commissioned by the Council supports this view. The purpose of the report is to examine the relevant issues, and discuss the feasibility of developing a call centre within the Council.

1.2 Summary of our findings

Fundamentally, we believe that the development of a Call Centre by Dumfries and Galloway Council is feasible. We believe that the development of a Call Centre is likely to deliver significant improvement in service provision. These improvements include:

- a more responsive resolution of customer enquiries;
- the resolution of routine enquiries within the call centre, thus increasing the "productive time" of other staff – a key part of the efficiency agenda in Scotland;
- a reduction in "service failure" through improved call handling;
- a clearer perception of the Council by the general public – with the ultimate aim of the Council publicising one telephone number for all general enquiries.

The Council has a commitment to the delivery of services at the most local point possible, and therefore has created strong area management teams, with services delivered through a network of customer service centres throughout the region. We believe that the adoption of a call centre can be accommodated within this structure; indeed, we believe that the call centre development can actually further improve and strengthen this local service delivery and integrate with existing customer service initiatives. There are options available to the Council regarding exactly how this is done.

We believe that, initially, the call centre will be a Council-only solution. There may be opportunities in the future for the Council – once it has an effective, operational call centre which has proven itself in terms of service delivery – to expand the operation to provide similar services for other organisations, and therefore become a source of income generation.

The base technology which will allow the Council to develop a call centre is already in place. Therefore, whilst there would be some costs associated with the purchase of specific call centre hardware, these costs are not prohibitive to the project.
We are of the view that there will likely be some required investment by the Council, in the short term, to establish the call centre. We have provided calculations later in this report. However, we believe that these gross costs could be minimised (if not eliminated completely) by departments for whom the call centre is providing services transferring an element of their budget to support the development. Other local authorities have established call centres which, overall, are cost-neutral to the Council in terms of annual revenue spend.

Overall, we believe that the **high level costs which have been identified and valued** are not prohibitive for such a major transformational project.

### 1.3 Next steps

In order to progress this initiative further, we require the Council to **agree in principle** with the solution proposed in this report.

Subject to this agreement, we would recommend that the Council, in the short term, clarify their priorities for the development of a call centre, and justify those priorities in terms of business benefits. We would suggest that this could be best achieved through a facilitated workshop of key individuals.

Once the Council priorities for the initial development of the call centre are established and agreed, the Council will require to collect and collate some basic information for the selected services, including the number and purpose of individual calls. The Council would also require to map business processes to support the transfer of services into the call centre.

### 1.4 Conclusion

In summary, therefore, we believe that the development of a call centre is feasible, and that it would improve the delivery of services by the Council. We recommend that subject to the Council confirming the vision of the development of a call centre as outlined in this report, a full business case should be developed to support the investment decision.
2 Introduction

2.1 Background

Dumfries and Galloway covers a large geographical area, with a wide dispersal of its population. The population of the region, at the date of the last census, was 147,765. Over 25% of the population was, at the time of the census, aged 60 or over, compared to 21% of the population of Scotland as a whole. The vast geographical area of the Council, combined with the age profile of residents, is relevant in determining the types of access to Council services which are provided.

2.2 Council Structure

The Council is committed to the delivery of services at the most local point possible. Following a restructuring programme, the Council has brought together new groups of services to replace traditional departments, to provide a combined response to local communities. The Council has created strong area management teams. Local services are delivered through teams in the following localities: Wigtown; Stewartry; Nithsdale; and Annandale and Eskdale. This devolved structure may lead to possible variations in priorities and therefore possible variations in standards of service delivery across the Council's geography, and therefore has implications for the development of a Council wide call centre.

We outline later in this report our views on the methods by which local service delivery can be accommodated within a Council-wide call centre.

2.3 Setting the scene

The Council is a complex organisation, providing a wide range of services to a large group of customers/stakeholders. The Council has recognised that its structure and organisation are not what matters to its customers, and in its stated aim of putting the customer first, it attempts to emphasise the "ease of accessibility, quality and speed of response" which the customer receives. The overall aim of the Council is to improve significantly the quality of customer experience in Dumfries and Galloway.

At present, as you would expect with any major public body, the Council deals with customer enquiries through a variety of locations and mediums. The Council has its headquarters within Dumfries, and has a variety of customer contact points within the town. In addition, the Council operates a number of area offices throughout the region.

The fact that the Council maintains a physical presence in many locations throughout the area presents a possible opportunity for it to positively affect economic activity, the delivery of wider public services and citizen skills development through the strategic positioning of Call Centre facilities. We have taken this issue into account in framing our recommendations.

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1 General Register Office for Scotland, 2001 population report
Through the variety of access points, the Council will have contact with customers through a variety of mediums: telephone; letter; email; face to face. The Council does not currently have access to reliable data on the total number of customer contacts which it receives within any defined period. Given the range of access points and methods of contacting the Council, it is likely that there is some variability in the quality of service levels experienced by local stakeholders.

We have attempted, as part of this study, to determine the level of external telephone calls which the Council receives. Our analysis covered the month of June 2005. In this period the Council received a total of almost 180,000 external calls. The success of the Council in dealing with these calls varied greatly, depending to a large extent on whether the caller dialled the main switchboard number or called an individual directly.

The Council issue a very significant number of telephone numbers for the general public to use. This is likely to lead to some confusion. Nonetheless, the majority of calls are received by the main switchboard, which has a very high success rate in dealing with calls.

**Figure 1**

*Multiple points of customer access*

During 2005, the Council have undertaken a Pilot Project in Stewartry to provide access to a wider range of Council Services directly from a Customer Services Centre. A report to Members dated 15 September 2005 reported positively on progress made on this project and sought agreement to extend its scope to include other partner organisations.
The report also noted that work was being undertaken to document and review the business processes associated with the delivery of a number of services:

- Planning and Building control
- Pot Hole reporting
- Street Lighting
- Special Uplifts
- Out of hours

This work has potential value in terms of identifying how a Call Centre might contribute to service delivery in these areas.

2.4 MORI survey

The Council previously commissioned a report from MORI which examined, amongst other things, the preferred method of contact with the Council. The research exercise was comprehensive and should provide an accurate indication and reflection of how the public perceive the Council. It covered a range of topics in addition to the public contact aspect of the Council. We draw out below the main points of this research as they relate to this assignment:

- Residents find it easy to get information from the Council;
- Residents are more likely to get information in person;
- However, residents would prefer to access information on Council services by telephone rather than through face to face contact;
- When a contact is made, there is high satisfaction with the experience;
- Residents are not as advanced as others in Scotland on the uptake of new technology, although the majority see the benefit of having public services online.

We have no reason to suspect that the underlying trend would be substantially different today than it was at the time of the survey. It is, indeed supported by evidence from other local authorities. For example, South Lanarkshire Council found that 70% of customers preferred to contact them by telephone, compared with only 18% preferring to use Customer Service centres. This survey therefore provides some driver for change in terms of the expansion of the Council’s ability to deal with customer contact by telephone. Few residents expressed confidence in using electronic services to complete a transaction; should the Council develop this area, we do believe that this confidence will increase over time as users build confidence in the systems and security implemented by the Council.

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2 Dumfries and Galloway Residents Survey, July 2002
Research carried out by Audit Scotland suggests that, whilst precise figures cannot be obtained, available evidence suggests that two out of every three customers contact their council by telephone.

2.5 **Developments across Scotland**

During 2005, Audit Scotland issued a report which is directly relevant to this topic. This report revealed that, at the time of publication, 16 councils had already established call centres, while a further 4 councils had plans to introduce them. The majority of developments in call centres occurred during 2002 or 2003. Audit Scotland also found that the range of services covered by a customer call centre were similar, with the most commonly covered service areas being housing, finance, the environment and roads and transportation. Conversely, social work enquiries, whilst representing a significant part of total customer contacts, have limited or no coverage through call centres.

These call centres provide a range of information and services to the public. As an example, Glasgow City Council, in phase one of their call centre development, included the following services:

- Corporate switchboard;
- Cleansing (including bulky uplifts);
- Pest control;
- Council tax enquiries;
- Internal directory enquiries;
- Parks enquiries;
- Public relations enquiries;
- Roads and lighting;
- Social work enquiries (including 'blue badge');

Later in this report we discuss the services which we regard as being potential phase one services for adoption by the Council within the call centre. These services share much in common with those listed above.

2.6 **KPMG review**

Given the above, there would appear to be a prima facie case for further consideration of the development of a customer call centre within the Council. Consequently, at the end of April 2005, Dumfries and Galloway Council appointed KPMG to carry out a feasibility study into the development of a call centre within the region. Our remit included:

- Advice on the advantages, disadvantages and outline costs of including different ranges of services in the scope of any call centre;

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[1] Improving customer service through better customer contact, Audit Scotland, May 2005
Recommendations on the most appropriate sequence of taking services into the call centre;
Recommendations on integrating a call centre with the customer service centres;
Advice on sourcing options;
Assessment of the Council’s existing technology, including the telephone system, to support a call centre;
Indicative costings for the development of a call centre;
The development of an outline project plan for the implementation of a call centre;
Advice on general developments in call centre technology;
Advice on accessing efficient government fund monies.

The remainder of this report is structured around the remit as shown above.

Within this report, we refer to the development of a ‘call centre’. However, modern call centres can be used to provide services over and above those conducted by telephone – and can include various access channels to the Council, including face to face, email, and traditional mail enquiries. Our remit, however, extended only to telephone enquiries, and it is this aspect which this report focuses on.

2.7 Limitations

This Report is informed by our experience of conducting similar projects elsewhere and as such, reflects practical as well as theoretical considerations. However, as with all exercises of this nature, it is not possible to predict all possible scenarios and circumstances that may have an impact upon the costs and benefits associated with the project and discussed in this Report.

Consequently, although we consider the analysis in this Report to be sufficiently robust to allow the Council to understand the initial funding requirements of this project, and therefore to form a view on the feasibility of the development of a Council Call Centre, the estimates provided do not constitute any guarantee as to the actual costs and benefits that will arise, should the project proceed.

In addition, reader’s attention is drawn to the following limitations:

- KPMG have not sought to independently validate data provided by the Council for completion of this work; and
- the Report has been expressly prepared for the Council and as such, we provide no guarantee as to the relevance or suitability of the Report for other readers or other purposes.
3 Current Call Activity

3.1 Call Volumes

We undertook a short initial review of incoming calls to the Council, using the call records held on the Council’s Proteus Call Logger.

The logger records all incoming and outgoing calls made on the Council’s telephone network which are routed through its various Private Automatic Branch Exchanges (PABX’s). We are able to separately identify calls which are routed through the Council’s switchboard operators and calls which are routed directly to individual telephone extensions within the network (DDI).

We examined call records for the month of June 2005 covering a selection of premises. In addition to English Street, we examined the direct dial records for the Education Department at Edinburgh Road, the Social Services Department at Gordon Street, the Fire and Rescue Service HQ, and the area office at Kirkeudbright. The Stranraer Area Office has a PABX operator position and we added this to our comparison list to highlight the differences in telephone answering with Kirkeudbright. A summary of our findings is set out in the table below.

During the month a total of 177,990 incoming calls were recorded, of which 97% of those routed to a PABX operator position were answered, while only 77% of DDI calls were answered. This figure falls even further to 75% if we discount the Fire Service HQ, whose performance for their DDI service matched the performance of the PABX operators at English Street and Stranraer.

It should be noted that the nature of service provided by the Fire Service in its call handling differs from that provided by a local authority. Staffing levels on a 24-hours basis are set to provide an instant response to the approximately 2,000 emergency incidents which occur each year. Control Room staff, who act as call handlers, perform other duties when not handling calls and also handle non-emergency operational calls for the Fire Service. In order to provide the emergency response cover needed, a certain level of staffing is necessary which exceeds the minimum which would be required to handle calls under a normal Service Level Agreement. It is in recognition of the potential savings in this (and other related) areas that a national project is under way to create Regional Fire Controls to handle emergency calls on behalf of groups of fire brigades. When this project is fully delivered in 2007-8, the Fire Service may wish to review how it handles its remaining non-emergency and administrative calls.
Table 1: Council Call Activity (June 2005)

<table>
<thead>
<tr>
<th>Site</th>
<th>Calls To Operator</th>
<th>Not Answered By Operator</th>
<th>DDI Calls</th>
<th>Not Answered DDI</th>
<th>Total Calls</th>
<th>Total Not Answered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central PABX</td>
<td>52,157</td>
<td>1,701 (3%)</td>
<td>53,317</td>
<td>12,270 (23%)</td>
<td>105,474</td>
<td>13,971 (13%)</td>
</tr>
<tr>
<td>Edinburgh Road (Education)</td>
<td></td>
<td></td>
<td>15,627</td>
<td>4,157 (27%)</td>
<td>15,627</td>
<td>4,157 (27%)</td>
</tr>
<tr>
<td>Gordon Street (Social Work)</td>
<td></td>
<td></td>
<td>13,881</td>
<td>4,370 (31%)</td>
<td>13,881</td>
<td>4,370 (31%)</td>
</tr>
<tr>
<td>Kirkcudbright Area Office</td>
<td></td>
<td></td>
<td>10,412</td>
<td>2,955 (28%)</td>
<td>10,412</td>
<td>2,955 (28%)</td>
</tr>
<tr>
<td>Stranraer (Area Office)</td>
<td>6,623</td>
<td>260 (4%)</td>
<td>17,077</td>
<td>3,560 (21%)</td>
<td>23,100</td>
<td>3,820 (17%)</td>
</tr>
<tr>
<td>Fire Service HQ</td>
<td></td>
<td></td>
<td>9,496</td>
<td>505 (5%)</td>
<td>9,496</td>
<td>505 (5%)</td>
</tr>
<tr>
<td>Total</td>
<td>58,180</td>
<td>1,961 (3%)</td>
<td>119,810</td>
<td>27,817 (23%)</td>
<td>177,990</td>
<td>29,778 (17%)</td>
</tr>
</tbody>
</table>

This demonstrates that where calls are routed through a dedicated call handling process, they are more likely to be answered than if routed direct to a specific telephone number within an organisation. This is despite the technology available with the existing telephone system, including voicemail, the ability to divert telephone calls to a colleague when you know you will be away from your desk, the ability to pick up colleagues calls from your own phone, and so on.

Experience shows that, in the public sector, where an incoming DDI call is unanswered, the caller is likely to re-attempt their call, in many cases within 60 minutes. This ‘failure’ on the part of the Council therefore leads to repeat calls, as the customer attempts to resolve their issue. In determining total call traffic of the Council, it is therefore important to discount unanswered calls from total call volumes, as had these calls been answered on first connection, a subsequent call would not have been made.

The impact of failing to properly handle incoming calls is therefore mainly one of reputation and citizen perception of the quality and value of service received from the Council. Additionally, there is the potential that a proportion of demand for Council services is being suppressed since callers may not attempt to contact the Council owing to previous poor experiences when trying to make telephone contact. Consequently, the experience of the ‘customer’ could ultimately be improved with the introduction of a dedicated call handling process, and with this development the reputation of the Council as a customer focused organisation would be further enhanced.

A key driver for the formation of a Call Centre will be addressing this variable performance to managing direct dial and switchboard calls. There is a clear risk of negative public perception of the Council; improved call handling will form one of the main performance measures for the whole project.
We have not attempted in this initial exercise to identify the purpose of individual calls. We are aware that some logging is performed in area offices, but in order to assess likely call volumes and thus estimate the likely resource requirements of a call centre solution, a structured approach would require to be adopted. We would recommend that the Council undertake such an exercise, looking at specific service areas, as part of the next phase of development work towards a call centre (as appropriate).

Should the Council decide to pursue the formation of a call centre, it would require to collate and analyse, in some detail, the call volumes experienced by the Council.

As part of any call traffic survey and planning exercise, it will be necessary to consider opportunities for ‘smoothing’ telephone traffic flows and reducing call handling times and, where this is not possible, implementing effective strategies for managing peaks in demand. Where shift-workers are employed, this is normally addressed by a shift pattern which matches traffic patterns. Additionally, any activity planned by the Council which might lead to a sudden surge in call volumes (a good example being the issuing of letters demanding a payment or inviting applications for a new service) should be managed to ensure their impact on other call traffic is minimised.

It should be understood that the objective of a Call Centre is to increase the efficiency with which existing Council services are delivered. This efficiency can be measured in a number of ways:

- Reduced time required to process transactions by improvement in business processes
- Reduced costs achieved through improvements in business processes, achieved through reducing staff activity levels per transaction
- Increases in volumes of service delivered through reductions in processing time per transaction

If these are considered the ‘Business Benefits’ of implementing the Call Centre, only the second of these can be seen to have the potential to deliver immediate financial savings. Increases in volumes of transactions processed can, however, be seen as ‘costs avoided’ and in many organisations, the implementation of a Call Centre has led to a reduction of ‘rationing by access’ and thus an increase in demand for Council Services. If such services are revenue-generating – for example, leisure centre bookings – then the effect is to create an increase in net income to the Council.

For many organisations, the principal financial benefit has been to enable them to redistribute staff to focus more on the delivery of front-line services and less on dealing with routine enquiries. The issue arises, however, that a 5% reduction in the workload of a number of individuals does not necessarily enable one of them to be released from the other 95% of their work. There is always a period of transition where an initial investment is required to develop a Call Centre Service so that other departments can re-engineer their service processes to take full advantage of opportunities for savings. Ultimately, however, the opportunity arises to develop the range of facilities offered via the Call Centre and so transform it into a fully-fledged Case Processing Centre and thus achieve reductions in costs per unit of work performed.
There are two other areas, however, where cost reductions may be rapidly achievable.

- The first of these is in the area of either planned or ad hoc overtime. If workloads can be either reduced or redistributed through the use of a Call Centre, it may be possible to either reduce or even eliminate the need for regular overtime working.

- The second of these is in the potential to reduce stress-related illness. Organisations with high backlogs of work tend to suffer from higher than average absence from stress and also render themselves liable to legal action from employees who suffer mental or physical injury from such stress.

3.2 Call Centre Developments

There are three areas of innovation in Call Centre technology and practice which may be relevant to Dumfries and Galloway Council. These are considered below:

3.2.1 Video Links

A number of local authorities are now developing video links from satellite offices. These enable enquirers to access services which are delivered by a central department or a call centre.

This can provide the facility for face to face communication between the enquirer and the Council at locations where staff are not directly available to deal with that enquiry. Such facilities can include a capability to scan documents brought in by the caller and also to print out forms and other information. This extend the hours during which a 'semi-personal' service is available across a range of locations serving a geographically dispersed population.

The following are some recent examples of the use of Video Link technology:

- Wolverhampton Council has recently completed a pathfinder project to enable the reporting of deaths using electronic means. This included the establishment of three video links in a Health Centre, a Hospice and at a crematorium;

- Newcastle City Council has established video links in two area housing offices which provide links to a number of Council and third-party services including:
  - Planning
  - Housing Benefits
  - Council Tax Benefits
  - Social Services
  - Jobcentre Plus
  - Inland Revenue
Castle Morpeth Council, Northumbria, have established a link in a town centre One-Stop Shop to enable callers to discuss housing matters;

East Riding Council have set up Citizenlink – a service which enables enquirers to contact both them and a range of other advise services from any of East Riding Council’s customer service centres;

Given the geographically dispersed nature of the communities served by Dumfries and Galloway Council, once a Call Centre has been established, this technology may offer another means of providing a locally focussed service from a central facility, with the potential to involve other partners by routing calls through to other agencies or possibly by their co-location in Council premises.

Such a facility could be operated over the Council’s own data network and would require only a limited amount of technology to be installed at remote locations. A dedicated video studio desk would be required in the Call Centre – essentially an office desk and chair with screens behind it. This would then be staffed by a Call Centre operator only when needed to answer an incoming call. Alternatively, the call could be routed to another video link location and handled by a member of the local area office staff, thereby reinforcing the perception of a locally-delivered service.

It should be noted, however, that this technology is still relatively untried in the public sector in Scotland. Recent research by the Council themselves into the use of video-conferencing by other Scottish authorities indicated a slow development of its use for internal meetings and educational purposes, but little use by the wider community. This finding reflects the Europe-wide situation as reported in the 2005 Cabinet Office-sponsored report “eAccessibility of Public Sector Services in the European Union”, which comments in relation to video conferencing and other forms of what are described as “rich media” that:

"In general, this study found relatively few examples, but the number can be expected to increase in the future, particularly as broadband allows more practical access to such resources."

3.2.2 Home-Shoring

‘Home-Shoring’ is a new term coined by the Call Centre industry to describe call centre staff who work from home, rather than from a traditional central call centre.

The difference between ‘Home-Shoring’ and the traditional image of ‘Homeworking’ is that ‘home-shored’ workers continue to operate as part of an online team and undertake business transactions from an incoming queue in exactly the same way as it if they were in a large office. In contrast, the traditional view of the ‘Homeworker’ is someone who performs individual tasks separately from other team members and organises their own work schedule.
The historic barrier to working in this way has always been providing the required data speeds to a domestic premise. The widespread expansion of Broadband has, however, removed this barrier and made it possible to deliver office quality data access to a worker's home.

Although the technological barriers have been or are being overcome, organisational ones remain. Few organisations are yet using ‘Home-Shoring’ widely, although it has been reported that the Automobile Association now have 150 staff working from home handling breakdown calls.

A pre-requisite is that a member of staff has adequate space in their home (or perhaps a local shared office space) to accommodate office equipment in such a way that it conforms with workstation regulations. They must also be sufficiently competent and self-organised that they can operate with less supervision than would normally be provided in an office environment. It is also necessary to ensure that the staff member has access to all reference information and other material which they will need to transact normal business.

The advantage of this approach is that opportunities for employment can be created for people whose personal circumstances would otherwise preclude them from working in a ‘traditional’ call centre owing to domestic commitments or geographical distance. It is also possible to agree ‘on-call’ arrangements with home-shored workers whereby they can be asked to undertake additional hours at short notice to address sudden unexpected surges in call traffic.

“Home-shoring” is normally used to supplement established call centres and requires more robust supervision and management arrangements than a traditional call centre, owing to the physical distance between worker and performance manager. Ensuring the quality of service delivered is more difficult when there is little or no physical contact between team members and leaders, especially with newly recruited staff.

In addition, there are issues of achieving adequate motivation for home-shored workers. Typical salaries for call centre staff are at the lower end of the range for clerical workers, and consequently some of the emphasis on job satisfaction and staff motivation relates to team-based activities and team-building centred around the workplace. It is far more difficult to achieve this with remotely-located staff, and there must be a greater emphasis on individual staff management as well as maintaining group identity.

Typically, staff who will be working from a home base undertake basic training and a number of weeks of work experience in the central call centre before moving to their home base. They may also return to work in the central call centre for short periods in order to undertake consolidation training.
Although this approach is unlikely to be appropriate until the Council has established a core Contact Centre, it offers a number of potential advantages as an integral part of a longer-term strategy. Firstly it offers a low cost means of expanding without the need for additional premises, while potentially creating new employment opportunities in areas of low economic activity. Secondly, the early experience of organisations adopting “home-shoring” is that staff turnover is dramatically reduced in an industry which historically suffers from high rates of attrition.

3.2.3 Predictive Dialling

It will be noted that we have included a number of outbound call transactions in our proposed list of services to be implemented within the Call Centre. A facility which has the opportunity to accelerate the contact process will improve its effectiveness.

Predictive Dialling is a technology which automatically makes outgoing calls from a Call Centre based on the predicted availability of call centre operators to handle answered calls. The objective of this approach is to minimise the time between calls by removing the need for the operator to dial numbers and wait for an answer.

Predictive diallers are normally interfaced to the organisation’s CRM system to ensure that when a call is being passed to a call centre operator to deal with, the called party’s information is displayed on-screen so enable the operator to be productive as soon as the call is answered and create a more personal experience.

It can also be used to maximise the effectiveness of staff logged on only to make outgoing calls by ensuring that productivity is maintained at all times. Proper configuration of the predictive dialler will prevent any reputational harm to the Council which has been experienced elsewhere by inappropriate use.

This technology has been subject to a great deal of criticism in the media owing to the proliferation of ‘silent’ calls. These occur when a predictive dialler initiates too many calls for call centre staff to deal with, and so disconnects calls without indicating to the called party the reason for the call. The reason for this problem is that predictive diallers are programmed to ‘assume’ that a certain percentage of numbers which are telephoned will not be answered. The diallers therefore dial more numbers than the call centre staff can deal with on the assumption that some calls will fail.

In order to avoid these criticisms, it is important that such a facility is programmed sensitively to reflect true operator capacity. In these circumstances, predictive dialling can greatly increase operator productivity by reducing time consumed in looking up and dialling numbers.
4 Opportunities

4.1 Customer Relationship Management

At the heart of most organisations’ Call Centre operations lies their CRM system. This is used to manage all aspects of an organisation’s transactions with their service users. It records details of initial contacts, manages enquiries by the use of structured guides and questioning and also tracks the outcome of the communication. Such a system is of particular value when dealing with ‘progress-chasing’ or ‘service failure’ enquiries from service users.

Wherever possible, such systems are often linked into service-specific software packages in order to enable information to be exchanged directly with ‘back-office’ service providers.

In this way, the service users see the organisation as being fully ‘joined-up’ while the organisation achieves the data management objective of ensuring that all information is recorded in one place only and is updated in a timely manner by any transaction or exchange of information with its customer.

Implementation of a CRM system requires an investment of both time and human resource, and will require inter-departmental co-operation to ensure the effective integration of both data and processes. Without a CRM system, however, a Call Centre will be forced to either undertake its own call data recording, and then depend on e-mail, telephone update, or re-keying data into departmental systems to pass it on to service departments. This is both inefficient and costly and risks duplication of effort or failure to act upon the latest information about a service user.

The Council is about to undertake a pilot deployment of the Lagan CRM system, focussed on its Customer Services Centre pilot in Stewartry. The outcomes of this pilot will be available in the second quarter of 2006, at which point it will be possible to determine the potential to use this system to drive customer interactions through the Call Centre as well as other channels of access to Council Services. Individual application compatibility can then be assessed and a prioritised list of transaction types created based on the complexity of integrating them to the CRM system.

As at 31 March 2005, 26 local authorities in Scotland had committed to the introduction of CRM systems. (Source: Scottish Executive - Modernising Government Fund)

4.2 Services to be provided from a Call Centre

Call Centres exist to improve the efficiency with which interactions between ‘clients’ and the provider organisation are conducted. As described earlier in this report, many organisations choose to place responsibility for more than simply telephone contacts with a call centre – and, in addition to telephone contacts, this can include any combination of telephone, surface mail and e-mail.
In the context of Dumfries and Galloway Council, ‘clients’ can be defined as any person or organisation which receives a service from or provides a service to the Council. This can include citizens, businesses, other agencies and Council employees themselves.

Call Centres can be used either to receive and handle requests initiated by a caller (incoming calls, such as a local person reporting a road defect), or to initiate a contact themselves in order to obtain information or progress a transaction (outgoing calls, such as calling debtors to query payments).

At present, many services are provided in whole or in part via the telephone, either for the purposes of providing information and advice or for completing an entire transaction.

Because Call Centre operators do not normally possess in-depth expertise in all the topics which they may be required to support, there are a number of criteria to be applied in assessing the suitability of a particular form of transaction for inclusion. These criteria include:

- Can script(s) be developed through which interactions with the client can be managed in such a way as to ensure that complete, accurate and consistent information is exchanged without the call centre operator necessarily having any specialist information about the topic?
- Alternatively, can appropriate training be provided to enable the call centre to perform a more complex exchange with the client?
- Can the transaction be conducted entirely without the need for the caller to provide papers or other evidence which is not already available to or accessible by the Council?
- Are the Council’s casework and recording systems capable of providing a potentially remotely located call centre operator with immediate access to information about the client’s circumstances?
- Are the Council’s casework and recording systems capable of automation so that the outcomes of the particular transaction can be recorded and/or forwarded for appropriate action?

At the outset of our work, Departments and Areas were invited to nominate transactions potentially suited to be transferred to a Call Centre. We have combined the responses received to date with our own past experience of the development of local authority call centres elsewhere.

For most organisations, the simplest transactions to move into a Call Centre are those in which it already possesses some experience in providing a telephone based service.
The Scottish Executive's "Customer First" Strategy specifies 46 core services to be delivered electronically (see Appendix I). Of these, a number no longer apply to the Council as a result of the transfer of their housing stock to Dumfries and Galloway Housing Partnership. From those that remain, and based on Dumfries and Galloway's existing experience, we have identified the following topics which it would be appropriate to include in a dedicated Call Centre's service portfolio:

- Council tax enquiries and administration
- Benefits enquiries and administration
- Social work services, for example, homecare services or benefits advice
- Development control, for example, planning applications and enquiries
- Leisure services, for example, public libraries and sport centres
- Environmental Services, for example, special refuse collections
- Highways, street lighting and street furniture maintenance
- General Corporate enquiries, for example enquiries about job vacancies or complaints
- Internal inbound calls to report staff sickness absence, remote staff location reporting for lone workers
- Outbound calls debt recovery

As the above would represent a significant business transformation project, and to reduce the risk to the Council, we recommend that the Council develop the provision of call centre services in a number of phases:

4.3 Phase 1 – Consolidation

In the first phase, services which are currently delivered via telephone would be centralised into a Call Centre. This would enable the Council to gain experience in the operation of a Call Centre without the additional risk of seeking to implement new services. The services would be implemented on a department by department basis, allowing time for either Call Centre staff to be trained incrementally in new subject areas and scripts, or for existing department staff to be migrated to new posts within the Call Centre.

We attempt to explain this in a diagram at Appendix 3.

The focus in Phase 1 would be for the Call Centre to act as an improved conduit for exchanging information between 'clients' and Council Departments. During this phase, the Call Centre would not directly authorise the delivery of services to callers but would ensure that the correct department was informed of the request and would continue to provide progress tracking information to callers.
Services would be transferred to the Call Centre in small groups over a period of months, allowing the operators to become familiar with the workflows of each group before implementing the next one. As operator experience – and confidence – grows, the gaps between service group migrations will reduce.

In this feasibility stage of our work we have not attempted to subdivide this list into implementation groups. A detailed schedule, agreed with service and area managers, would require to be developed prior to the Council committing to the next phase of this engagement.

In our view, candidate services for Phase 1 are:

- Council Tax Enquiries
- Housing Benefits Enquiries
- Planning and Building Enquiries
- Dog-Fouling Enquiries
- Special Refuse Uplifts and Collections, including Abandoned Vehicles
- Applications for Blue Badges
- Outgoing calls for Council Tax debt management
- Highways Defects Reporting including Potholes
- Enquiries relating to the Registration of Births, Deaths and Marriages
- Appointments Booking for Personal Interviews at Local Offices or at Home
- Enquiries handling relating to Council vacancies
- General Complaints
- Enquiries regarding Home Care Services
- Enquiries regarding Lifelong Learning
- Message handling for Members
- Message handling for Officers

Should the Council decide to pursue the formation of a call centre, it would require to confirm and/or revise the suggestions regarding those services which would initially be delivered through the call centre.
4.4 **Phase 2 – Migration**

During Phase 1, ownership of problems remains with delivery departments, with the Call Centre acting only as a communications channel. In Phase 2, the Call Centre begins to act as an ‘advocate’ for the client, taking on the role of a Service Centre.

Requests for assistance directed through the Call Centre are ‘owned’ by the Call Centre and progress is monitored from there.

Bookings for a range of services are taken directly by the Call Centre and entered into work schedules directly by the Call Centre operator. Small items of work are authorised directly by the Call Centre operator.

To reach this stage of integration between the Call Centre and end service providers requires a well-developed operational relationship, based on trust, between the departments. Such a relationship only develops over a period of time, and is best founded on the experience and trust created during Phase 1.

By the completion of this Phase, all 39 relevant core services will be delivered through the Call Centre, together with an increased range of outgoing and internal services.

During this phase, provision could also be made to permit the customer to track progress of their transactions by web-based access to the Council’s Customer Relationship Management System.

4.5 **Phase 3 – Continuous Improvement**

Up to this point, service delivery has been assumed to have been managed along service channel or area-based lines. With the implementation of Phase 3, all services are configured to be entirely seamless and customer-centric. All access channels are entirely joined-up, with a very high degree of electronic enablement within all services. A recent Cabinet Office paper\(^4\) states:

> “Between 2007 and 2011 the priority for technology investment and business change must be transforming delivery into public services centred round citizens and businesses, and transforming support into a shared services framework. During this period it will also be important to realise the financial and service benefits of current and planned investments. The goal should be to have made the key changes, to have embedded the new cultures, and to have made the process irreversible, by 2011. ”

Although not directly applicable to Scottish local authorities, the use of a Call Centre could form a key component of this transformation for the Council. In the particular circumstances of Dumfries and Galloway’s approach to service delivery, which places a high emphasis on the availability of local customer service points across a geographically dispersed area, the Call Centre would interact with local office staff to support this policy in a cost-effective manner.

\(^4\) Transformation Government – Enabled by Technology, Cabinet Office, November 2005
5 Existing Technology

In order for a Call Centre to be effective, it must have access to the IT systems used by the departments and be able to transfer voice calls to them if an enquiry requires to be referred to the department for resolution.

In assessing the feasibility of creating a Call Centre, we have considered the Council’s IT systems and voice communications infrastructure to determine the potential for their integration into a Call Centre solution.

5.1 Telecommunications

Considering first the Council’s voice telecommunications, the main premises are served by a series of interconnected Siemens Private Automatic Branch Exchanges (PABX) which permit calls to be transferred seamlessly between locations using the DPNSS (Digital Private Network Signalling System) telecommunications protocol. This is supplemented by a Voice over IP network which enables voice calls to be transferred to other sites over the Council’s data network.

These PABX sites are all connected to the public telecommunications network via ISDN digital connections which permit calls to be directed to individual extensions without operator intervention (that is, direct dial calls). A number of other locations are served by other makes of PABX equipment but these are not connected via DPNSS connections.

At different stages of its evolution, the Call Centre will require different levels of telecommunications technology.

Initially, call centre operators would require telephones with:

- headsets;
- the ability to display callers’ numbers; and
- the ability to automatically distribute calls between operators.

In addition, supervisors would require telephones enabling them to monitor the status of operators’ calls for training and quality purposes, and also to monitor the number of calls queued and awaiting a reply. The existing PABX equipment supports Automatic Call Distribution, although as the Call Centre develops a more sophisticated call concentrator unit might be required to enable multiple call queues to be configured and also to facilitate the integration of computer systems and telephony (CTI).
It is advisable to connect a digital recording system in order to permit all incoming calls to be recorded. This must be announced either by a pre-recorded message or by the operator to callers before the call begins. Digital recording systems will permit calls to be retrieved based on time of call or the terminal at which they were answered. Modern systems store calls on computer disk and permit archiving to CD, providing a permanent record of all calls received.

The ability to interface the Council’s computer systems directly to the telephone system, thus enabling the system to retrieve information and present it to the operator as the call is answered (“screen pop”), and also the ability to automatically dial out when dealing with cases requiring a call to be initiated (“predictive dialling”) will become a requirement as the Call Centre develops and expands its functionality.

The Council already operate a Proteus call-logging system which can provide comprehensive performance reporting on any aspect of its telecommunications system including call durations, call volumes and agent activity and workload.

The Council therefore has in place all the necessary foundation blocks to permit the development of its call centre facility. On many of its sites it has spare capacity within its telecommunications circuits which could be used to support a Call Centre. In addition, some existing telecommunications circuits will be freed up when calls are diverted to the Call Centre from other locations within the Council.

5.2 IT Systems

The Council operates a range of IT systems which are principally ‘Commercial Off-The-Shelf’ (COTS) systems provided by third parties.

Each of these applications operate in one of the following ways:

- a mixture of software installed on local computers which exchange data with file servers over the local area network. Screens are created by the local software and remotely stored data is manipulated locally. Data can be shared by multiple users across many locations but will require potentially complex installations of local software and may place a heavy load on data networks in order to retrieve and store data.
- a web browser interface which accesses applications and data stored on a file server and which displays screens and data which are all downloaded on demand from the remote source. Applications accessed in this way require only a copy of Microsoft Internet Explorer or equivalent to be installed on the local computer. Where necessary, pieces of computer software required to enable Explorer to run the application are downloaded and updated automatically as it runs. This permits a wider range of computers to access applications without being especially configured. Such applications can place periodic heavy loads on data networks and tend to require higher specification PC’s to operate effectively.
• a Citrix system which enables all data processing to be performed on a specially configured server located close to the source data and then exchanges screen and keyboard transactions with the server. There can be limitations on the compatibility of applications with Citrix and it is important that the server which is running the Citrix software has sufficient capacity to service all the users seeking to use it without encountering performance issues. Again, it is important that the network connecting the remote users has sufficient capacity to enable the frequent exchanges of graphical data which occur in applications of this type to run without the response time becoming unacceptably slow.

As can be seen, there is a high dependency on network capacity for all these application types, and the Council have experienced difficulties with network capacity at some of the more remote sites. As Call Centres tend to generate a high network load, a full network survey of any potential location will be required to ensure that adequate capacity can be provided.

5.3 Council Internet

In common with the vast majority of other local authorities, the Council publish information about activities and services via its internet site www.dumgal.gov.uk. It is apparent that during the past 12 months, the Council have taken steps to develop this facility.

In the 2004 edition of its annual independent survey of local authority web sites (Better Connected 2004), the Society of Information Technology Management (SOCITM) assessed the Council’s site as being “Promotional Only”: containing only limited basic information about the Council and with little or no interaction. When surveyed at the end of 2004, the website was ranked 12th out of 32 amongst Scottish Unitary Authorities for its ability to address a number of predefined scenarios, and 21st out of 32 on a wider examination of facilities provided.

The website now contains over 1,100 reference documents, together with links to other organisations and a number of interactive forms, mainly covering applying for employment with the Council but also including making an initial enquiry about adopting.

There is also a network of ‘mini-webs’ each dedicated to specific subject areas.

We note that the Council have also implemented a ‘Rich Site Services’ (RSS) feed from their website to ‘push’ updates to subscribers.

Although, therefore, considerable work remains to be undertaken to achieve 100% of services being delivered electronically, the Council have demonstrated how far it is possible to progress in a relatively short time.
As the Council develops any Call Centre facilities, it would be normal practice for operators to obtain reference information from the same sources as were available to the public. The internet web site would certainly form a substantial information resource for both staff and the public and would also be able to host transactions and interfaces to electronically delivered services. This would enable citizens to perform self-service transactions and so reduce call volumes into the Call Centre.

5.4 Council Intranet

In the development of a call centre, the Council’s intranet will become an increasingly important information portal. Should the Council proceed with the development of a call centre, the intranet would be a primary source of information for the call handlers – and as such requires to be comprehensive, up to date, and easy to navigate.

In developing this report, we have reviewed the Council’s intranet site. Fundamentally, in order to be a portal which supports a call centre, the intranet site requires further investment. For example, we selected a number of the ‘phase one’ services – namely council tax enquiries, applying for a ‘blue’ badge, and organising a special uplift. Whilst we were able to locate information on each of these services, the information was relatively difficult to locate, did not have the level of detail that would be required, and did not access forms and so on that would be required to complete a service. The information is not replicated on the Council’s internet site.
6 Delivery Options

Traditionally, there are a number of models for the delivery of Call Centre Services:

6.1 Fully Outsourced Provision – Onshore or Offshore

A third party contracts to provide a specific level of service (calls per hour / operators dedicated to the client’s enquiries during specified times) and uses either their own systems or connections to the client’s systems. The client transfers the risks relating to the recruitment of personnel and provision of technology to the third party but assumes the risk of specifying accurately the quantity, nature and quality of service to be provided. The operators may be located anywhere in the world – including working from their own homes or on the client’s own premises.

Outsourcers manage their service provision by optimising the availability of technology and personnel to meet the requirements of a number of clients. They contract to provide a service of a pre-defined quality and free the client of all responsibility for recruitment, training and provision of call centre technology. In order to manage the cost risks associated with this, however, the outsourcer requires a large amount of information about the transactions and processes which it must manage for the organisation, and will manage any uncertainty in this area by including a contingency provision in its costs.

Outsourced operations typically work best in an environment where the call is focused around the provision of fixed information or the management of tightly defined transactions – for example the provision of goods or services from a catalogue. In these areas, it is possible to map the interaction between caller and operator into well-defined scripts, and the amount of operator time required for each call can be calculated with a reasonable degree of certainty.

Responsibility for providing access for contact centre operators to the client’s computer systems remains with the client, unless these are also capable of being outsourced in their entirety.

Contracts will normally provide for one of the following options:

- bands of call volumes per day/week/month,
- a specific maximum volume of calls to be handled in a given period by the outsourced provider, with a higher rate of payment being charged for calls which exceed this volume, or
- a cost per transaction basis.

The outsourcer is able to make a profit by benefiting from the economies of scale by ensuring that all operators are utilised as close to 100% of the time as possible. IT and other infrastructure costs can be shared between a number of customers and labour costs (the largest cost component) can be minimised by good recruitment and retention policies as well as locating call centres in areas where salary costs are low.
Costs are often expressed in terms of cost per hour of operator service provision (Erlangs), with the cost per transaction being derived from the duration of the individual transaction. The issue is then to ensure that the correct number of Erlangs are provided each hour to meet incoming volumes.

Outsourced contracts also tend to impose a greater degree of restriction on change to service levels without notice or renegotiation, and for this reason do not always best suit an evolving service unless the outsource provider already has experience of the types of transaction which will be involved and is therefore able to offer meaningful costs for specific transactions of the type which the Council would transfer to it.

6.2 Hosted
A third party provides technology and accommodation for a specified number of staff employed directly by the client (and may also provide training and supervision) at their premises. Such premises must be located sufficiently close to the client's own premises to enable the staff to be managed adequately. In this case, the client assumes all risks relating to the calculation of workload but has no responsibility for the proper running of the technology or the premises.

6.3 Third Party Managed In-House
Staff are located on the client’s premises and employed by the client but have specialist management provided by a third party organisation which accepts responsibility for all staff and technology issues. The client assumes full responsibility for the overall maintenance of the premises and the calculation of the workload.

6.4 In-House Service
The client assumes full responsibility for all aspects of the provision of its Call Centre Service.

6.5 Conclusion
As can be seen, as more responsibility passes to the client organisation, they assume a greater part of the risk for provision of service. The difficulty for organisations which are new to the use of Call Centres is that they must accurately estimate their growth and workload rates in order to procure the correct volume of resource from the providing organisation. It should be noted also that cost tends to accompany risk, so where risk is transferred to a third party, the costs associated with that third party’s service tend to rise.

In order to make an informed decision about which service solution to adopt, the Council must first gather detailed information about the volumes and nature of transactions which it proposes to handle via a Call Centre, as well as the true costs savings which might be realised to fund the cost of such a service provision.
6.6 **Calculating the number of Call Centre Operators Required**

Telephone systems are planned so that even during periods of peak activity the calls made by subscribers have a 'good' chance of being answered. The amount of switching equipment, lines and operators are carefully calculated so that only a small, but predetermined, percentage of call attempts is lost or delayed.

In creating our initial estimates of the number of full-time call centre operators (and therefore size of building) required (see Appendix 2 for background details), we have been obliged to adopt a general approach to likely requirements.

We have made the following assumptions:

- the Call Centre will handle an average of 200 incoming calls per hour, (This equates to approximately 33% of calls received each day at the locations for which we obtained general call traffic data)
- the average duration of a call will be 2 minutes including clear-down time
- the average waiting time for a call to be answered will be 15 seconds
- 90% of calls will be answered in less than 30 seconds

This creates a requirement for 10 Call Centre Operators, and this is the figure we have recommended. It should be noted, however, that the number of operators required to handle calls do not increase in a linear progression. Thus, the availability of local office staff to handle calls referred by the Call Centre will increase the capacity substantially – for example, applying parameters ii to iv above but assuming the availability of 13 operators – i.e. an additional 3 local staff – the call-handling capacity will increase to 288 calls per hour.

We have assumed that during the initial phases of this project, the switchboard operators will continue to initially handle all incoming calls and transfer them to the Call Centre where appropriate. As the Centre develops, however, and direct contact telephone numbers are increasingly adopted by callers, the purely call re-directing role of these operators will reduce, providing a potential source of skilled call handlers as current switchboard staff are redeployed to the call centre.

Since traffic will increase slowly as services are transferred to the Call Centre and each service delivered will require business process optimisation to make best use of the Centre's facilities, more accurate modelling and simulation will be possible.

We have included in our report a recommendation that more detailed data be obtained about different purposes of calls received. The Council require to develop a surveying methodology, to enable more accurate models to be created. Since the initial sizing model we have adopted will only cater for 1/3rd of all calls currently received, we are confident that the size proposed will not prove oversized for initial requirements. It will, however, leave sufficient growth potential to enable the Council to develop further facilities in line with its overall ambitions for targeting growth into specific areas, as well as potentially enhancing local offices.
6.7 Proposed Tailored Solution for Dumfries and Galloway

The traditional models all assume that the entire enquiry service (or a specific proportion of it) will be transferred to the Call Centre. While this model works effectively when services are being transferred from one provision point to another, in the case of Dumfries and Galloway Council, there is policy to provide local area offices to meet the needs of a geographically distributed service.

Some of the area offices are small, however, and inadequately staffed to act directly as part of an on-demand distributed Call Centre on a continuous basis. During our fieldwork we heard a number of comments to the effect that some Area Office staff were either unwilling or unable to accept incoming enquiry calls which were transferred to them owing to other work commitments, or as was also suggested a general reluctance to accept incoming calls.

Given the Council’s commitment to maintaining a local delivery of services, we therefore propose a solution tailored to the specific needs of the Council which will maintain a local involvement in the delivery of Call Centre services.

We propose that Area Office staff, in addition to their existing duties, provide return calls and outbound calls to clients. This would require an appointments diary, administered by the Call Centre, and into which individual Area Office staff place declared availability. The Call Centre will then operate in three modes in collaboration with Area Offices. Area Offices will use telephones routed through the digital recorder in the Call Centre to permit central monitoring of call quality.

In effect, the Council would operate a distributed Call Centre, using staff located either in Area Offices or other, dedicated locations, to provide additional support at times when incoming traffic levels dictated it. These other locations would also extend the capability of the Council to make outgoing calls in areas such as debt management in accordance with a schedule determined by the capacity of the other locations to provide support.

We have set out details of each mode below:

6.7.1 Mode A – Normal Traffic Loading

We have defined this as those times where there is adequate capacity for the Call Centre to manage all incoming calls.

Staff in the Area Offices will make scheduled outgoing calls, either returning calls made earlier to the Call Centre when operating in Mode C (see below) or undertaking standard outgoing calls (for example debt recovery and schools absence management). Staff in the Call Centre will also make outgoing calls as incoming traffic permits.

6.7.2 Mode B – High Traffic Loading

We have defined this as those times where the Call Centre is operating at near-capacity.
Specified types of call will be transferred to Area Offices in accordance with pre-declared availability. This will enable the Call Centre to increase its throughput of calls while still maintaining overall control of performance and traffic.

6.7.3 Mode C – Spate Traffic Loading
The Call Centre is unable to cope with its incoming call traffic loading.

Staff make arrangements for calls to be returned by appointment. Diary slots are pre-planned on the basis of future declared availability of Call Centre and Area Office staff. Details of the caller and the reason for the call are placed in the diary in order to facilitate allocating a call-back slot and to prevent the need for the caller to repeat all information at the outset of the call-back.

Urgent calls are either handled by designated staff in the Call Centre or forwarded to Area Office staff who are declared as being available.

In all these modes of operation, it is assumed that (at least during Phase 1 of the evolution of the Call Centre) the Switchboard Operators will continue to work as at present, routing calls not destined for the Call Centre to the appropriate destination, while referring unanswered calls to the Call Centre for message handling. As an increasing number of services transfer to the Call Centre, and contact is made directly with the Call Centre using dedicated numbers, the number of Switchboard Operators will reduce in line with traffic levels.

The advantage of this approach is that the Call Centre can operate with fewer staff than would be needed were they to assume responsibility for handling all calls, while the Area Offices continue to form part of the service provision for calls. Introducing a degree of certainty into the availability of Area Office staff to handle telephone calls will also facilitate the process of managing the Area Offices, while including telephone equipment in the digital recording system will enable the Call Centre supervisors to continue to monitor the performance and quality of calls handled through the Area Offices.

Prior to development of a business case, the Council would require to take a decision, in principle, regarding the delivery option which it believes to be appropriate for the development of a call centre in the region.
7 Implementation Plan

7.1 Outline Plan for Establishment of the Phase 1 Call Centre

The establishment of a Call Centre by the Council will require a series of inter-related projects to be performed and managed in a structured manner. They form what the Office of Government Commerce (OGC) describes as a ‘Programme’, requiring ‘co-ordinated management of a portfolio of projects that change organisations to achieve benefits that are of strategic importance’.

OGC recommend that such a Programme be managed using their Managing Successful Programmes (MSP) and PRINCE2™ methodologies. These methodologies recommend the initial creation of a Vision Statement which ‘describes the capability the organisation seeks from changes to its business and/or its operations’.

The next stage is to create a Programme Blueprint which will define how the required organisational capability will be delivered. From this Blueprint, a Programme Plan can be produced which will contain the various project streams.

Within each Project Stream, one of the early planning documents which is produced is a Product Breakdown Structure, specifying the principal deliverables during the life of the project. It is also common to prepare a Programme Level Product Breakdown Structure, showing graphically the hierarchical inter-relationship between principal outputs.

This report provides our Vision Statement of the transformed organisation, and we have attached, as Appendix 4, an initial Programme Level Product Breakdown Structure showing the high-level products which the Council must deliver in order to achieve its Phase 1 Call Centre. This Plan assumes that the Council accepts our recommendations for a solution tailored to its specific policies and requirements.

In future phases of the Call Centre development, depending on the Council’s response to the report of our initial findings, a more detailed Programme Plan, based upon agreed priorities for including services, will be required. In addition, the Council would require to create Project-level plans for the various project streams. In order to complete this it will be necessary for the Council to identify Programme and Project Board Members and to appoint Programme and Project Managers to deliver the required business outputs.
8 Efficient Government

8.1 Scottish Executive Guidance

The Scottish Executive issued Efficient Government Fund (EGF) bidding guidance during October 2004. The guidance clarified the overall objective of the fund of being “to stimulate a sustainably more efficient public sector and to demonstrate the reallocation of resources for better front line use.”

The fund has been set up specifically to deal with efficiencies which can be derived from public sector organisations working together to share resources, and therefore reduce the investment and ongoing revenue costs to each of the individual bodies. In addition, the fund is specifically geared towards those projects which are of sufficient scale to be attractive to the public sector throughout Scotland.

The main areas of focus identified in the guidance is:

- Procurement;
- Support service reform; and
- Transactional processing.

Areas relating to productive time, improvements in policy, and internal efficiency, although important, are seen as less likely to achieve the significant expenditure and benefit from partnership working, both of which are central to the aims of EGF.

Successful bids to the EGF receive support of between 40% and 75%, with awards at the higher end of the scale going to projects with a higher number of partners and those of national significance.

8.2 Our analysis

An absolute requirement of submitting an efficient government fund bid, which has any likelihood of being successful, is the inclusion of a number of partner organisations. As outlined earlier in this report, despite best efforts on the part of Council staff, a number of the more significant potential partners in Dumfries and Galloway either chose not to engage with us on this study (NHS Dumfries and Galloway and the Local Enterprise Company being good examples) or noted that they would not wish to enter into a partnership with the Council regarding the development of a customer call centre (Dumfries and Galloway Housing Partnership and Loreburn Housing Association). In the event, the only potential partner who expressed a desire to be included in further developments was Dumfries and Galloway College.
We consider that this issue alone is significant enough to make the securing of EGF grant (or similar) for this project to be unlikely in the extreme. In addition, the fund is specifically geared toward projects with a total cost in excess of £1 million. As outlined elsewhere in this report, we believe that a workable solution for the Council can be delivered for a cost substantially less than this figure. This further leads us to believe that a bid for EGF funding would be unsuccessful.

8.3 Efficiency Agenda

Although grant funding may not be available, the Council may still consider that the development of a call centre provides the Council with the opportunity to contribute to the efficiency agenda in Scotland. In its Efficient Government publication\(^1\), the Scottish Executive identified a number of workstreams which it considered worthy of examination:

- Absence management;
- Asset management;
- Procurement;
- Streamlining bureaucracy;
- Shared services.

Within the ‘streamlining bureaucracy’ workstream, the release of ‘productive time’ is a central part of the overall strategy. Essentially, projects which remove administrative and similar burdens from staff, and therefore increase the capacity of these staff to deliver services to the community, are major contributors to the efficiency agenda.

Therefore, whilst efficient government grant funding may not be available, the adoption of a call centre could demonstrate the Council’s overall commitment to the efficiency agenda.

8.4 Conclusion

Overall, we would recommend that the Council does not make a bid for EGF funding, as we consider the likelihood of success of such a bid to be extremely low. We consider that the best way forward for the Council is to concentrate on delivering a cost-effective solution locally.

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\(^1\) Building a Better Scotland, Scottish Executive, 2004
Given the range of grant and minimum spend criteria, we are however confident that the Council can in fact deliver a solution which meets its objectives for no greater a Council contribution than would have been required in any event. We do not consider that the absence of EGF funding is a significant enough event, on its own, for the Council not to pursue its vision for a customer call centre for the area. In addition, although grant funding may not be available, the provision of a call centre within the Council area still has the opportunity to demonstrate the Council’s commitment to the efficiency agenda in Scotland, whilst at the same time improving customer service.
9 Indicative Costings

We have provided the following guideline budgetary estimates for setting up and operating a Call Centre for 12 months.

We have made a number of assumptions in developing these costs, and in the next phase of the project it will be necessary to further refine them based on:

- Actual location;
- Decision regarding a CRM system;
- Prioritisation of services to be included; and
- Location costs.

We have assumed that the Council will convert existing office space it already owns to become a Call Centre. The Building Cost Information Service, which is published quarterly, provides guidance on the costs of new build and conversion of different types of structure. Construction costs of a brick-built structure in the Dumfries area, assuming prior possession of the land and no special construction issues, are estimated at £850 per square metre. The costs of conversion of an existing structure are estimated to be 50% - 60% of the costs of new. Thus, if the Council intend to convert existing office space to form a Call Centre, they should allow for a cost of £500 per square metre.

It is typically recommended that one allows 10 square metres of space per employee within an office in order to allow for common areas. Our experience elsewhere suggests that Call Centres seek to reduce this to approximately 7 square metres, although it may then be necessary to make a single additional allowance for common areas. We have assumed an overall figure of 10 square metres per person to show a maximum likely cost. If the Council is able to identify existing office accommodation in good order, these conversion costs will reduce substantially.

9.1 Technology Costs

We have provided guidance costs for the physical hardware and basic office systems infrastructure required within the Call Centre.

The Council are still performing an initial pilot implementation of the Lagan CRM system and we understand that procurement, full implementation and maintenance costs have not yet been agreed between the parties (if indeed the Council decides to proceed with the purchase and implementation of the system).
As the CRM system will be used widely within the Council, in area offices as well as in the Call Centre, it is matter of management judgement to what extent the costs of this implementation will be attributed to a Call Centre project. If the costs are to be apportioned on a ‘per-seat’ basis, the Call Centre will be a relatively low-level user. If, however, the costs are to be apportioned on a strategic ‘per-transaction’ basis, a substantial proportion of the costs will be attributable to the Call Centre.

At this stage we have assumed

9.2 **Telephony Costs**

We have estimated telephony costs based on the addition of a number of ACD-capable workstations, complete with headsets to be connected to an existing iSDX or Realitis PABX, and additional extension cards to be installed in the PABX.

We have also included indicative costs for the installation of a digital voice recorder in the Call Centre. There are now numerous manufacturers of digital voice recording solutions and our estimates may well be pessimistic given the probability that the Council will be able to secure a substantial discount through its tendering process.

We have assumed that a number of additional ISDN channels will be required at the preferred location of the Call Centre but that existing PABX equipment will otherwise be able to accommodate the workstations.

9.3 **Staff Costs**

We have created a cost model for staffing based upon median salary costs for call centre operators in the North West of England, derived from research work we are currently undertaking. We have used a salary of £15,250, which includes a 33% allowance for taxation and establishment costs.

The costs assumed in our model correlate to Council scale rates. Currently, switchboard operators are graded GS1 or GS2, which attracts a salary in the ranges of £10,671 to £14,220, to which we would require to add 21% to cover employers national insurance contributions. The GS3 scale ranges from £14,446 to £15,063 (again, exclusive of additional costs). Whilst in due course a proper job evaluation of the posts would require to be carried out, we believe that the costs used in the model are an appropriate ‘working assumption’ for a feasibility study.

We have created an illustrative staffing model based on numbers of dedicated staff in the Call Centre, further supported by staff in Area Offices, as illustrated in our preferred proposed service delivery model. As the Council do not as yet possess accurate metrics on the various types of call received across the entire organisation, these are only initial outline estimates. We will provide the Council with a copy of the spreadsheet which we have used to perform our calculations which will permit the calculation of sensitivity modelling around the impact of variations in a number of aspects of the operation of the Call Centre.
We have assumed that the Call Centre will operate initially from 8 am to 8 pm between Monday and Friday, excluding Public Holidays. This creates a requirement of 445 working days to be filled for each seat to be staffed throughout this period. Allowing for holidays, training and sickness, this equates to approximately two operators per seat based on an early / middle / late shift system. Although it is likely that staffing will be more flexible than this, only empirical evidence will assist the Council to determine the correct pattern. There is also a dependency on the extent to which Area Offices are able to commit resources to ‘even out’ workloads within the operational model we have proposed.

These longer opening hours for the Council – although in evidence at other councils in Scotland, including Renfrewshire, Stirling, and West Lothian – should be justified through carrying out appropriate market research of customers’ wishes and balancing these expectations with the additional costs which would be incurred.

The level of supervision required is in direct proportion to the number of operators overall. We have assumed one supervisor per 6 full time equivalent staff in the Call Centre. It must be borne in mind that the supervisors will also be required to deal with management issues relating to remote Area Office staff. We will be happy to discuss and review management structures with the Council in the next phase of this engagement.

We have taken a pessimistic view of staff turnover during the first year of operation based on current industry experience. It should be noted, however, that local authority Call Centres tend to experience a lower level of staff turnover than other industries. This is attributable as much to job satisfaction as to perceptions about conditions of service within a local authority.

External factors which can affect staff turnover are: recruitment competition from other neighbouring call centres, quality of working environment, quality of training, availability of flexible working arrangements, quality of systems being used within the call centre and call rate pressures. We will discuss these issues with the Council later, in the design phase of the Call Centre.

9.4 Outcomes of Financial Model

As will be seen from the attached schedule, we believe that the Council should make a budgetary provision of £100,000 capital for works in establishing the Call Centre in Year 1, with running costs of £360,000 in the same period. All figures exclude VAT, which it is assumed the Council will recover. These are the expected “gross cost” to the Council, and we do not consider this to be the new funding requirement which the Council will face to establish and run a call centre.

As discussed above, these running costs are in respect of a 12 hour working day, five days a week. Should the Council decide to open the call centre on more “traditional” hours (our assumption being 9am to 5pm) the running costs would fall to £240,000.
We discuss below the experience of one other council which has developed a call centre on a cost neutral basis for the Council as a whole. We would suggest that any development funding that was required (for example, in terms of capital investment) was considered as “spend to save” funding.

In addition to these costs, the Council would incur costs associated with the programme and project management of the call centre development. In addition there would undoubtedly be other costs associated with change management/organisational development.

Subject to the Council accepting the overall principles of our work, the next phase should be the formulation of a full Business Case, including likely Business Benefits to be obtained by the implementation of a Call Centre. Since the majority of the running costs of any Call Centre always relate to staff, the transfer of enquiry services from individual departments to a Call Centre should be reflected by a similar transfer of either staff or staff budgets which we would expect to substantially reduce the net overall cost. For example, at East Renfrewshire Council, the staff costs associated with the development and ongoing resourcing of their contact centre was funded by the internal transfer of budgets from the main departments that the contact centre supports (mainly finance, education, social work, housing, and commercial operations). This model could be applied equally to Dumfries and Galloway, but would require:

- departments to “buy-in” to the vision of the call centre development;
- departments to see the benefit of the call centre development, such that they were content to release budget to the innovation; and
- strong leadership from an appropriately senior person within the Council.

An additional provision must be made for Business Continuity Arrangements, as any catastrophic event affecting the Call Centre would severely impair the Council’s ability to function once it has become dependent on the Centre to deliver public services. We will discuss arrangements for appropriate Business Continuity arrangements with Council Officers in the next phase of this engagement.

9.5 **Business Case Methodology**

Should the Council decide to proceed with the development of a call centre, we are of the opinion that the next stage should be the development of a robust business case.

Business investment decisions involve the consideration of two major variables:

- cash (in terms of costs and benefits); and
- time.
A decision to invest in order to develop services (which may or may not involve the acquisition of fixed assets) necessitates a commitment of funds now (or in the near future) and continued revenue, in the expectation of gain in the future. A detailed business case will allow the Council to answer the key question about the potential investments required to support the Call Centre Project:

- **Is it worthwhile to the Council to invest in the Call Centre?**

A full business case will address this question by relating the anticipated financial costs with the benefits of the project, and will therefore provide the Council with an initial analysis of the costs and benefits of the components of the Call Centre Project, should it choose to implement them.

To complete this process we would suggest the following approach:

- Outline the overall approach to the Business Case Report – how are we going to identify the costs and benefits of the individual components of the Strategy?
- Establish the givens within the Business Case analysis – what assumptions are being used?
- Define the approach to return on investment
- Clarify which components of the Call Centre are considered in the Business Case Report and
- Evaluate the cost and benefits of the agreed approach.

### 9.5.1 Identifying and measuring costs and benefits

Costs and benefits can be categorised as financial or non-financial, measurable or non-measurable, as shown in the diagram:
The figure illustrates that not all costs and benefits are financial or measurable. For example, improvements in service performance to the public can be measured (e.g., the number of calls answered in 20 seconds) but the benefits may not be directly quantifiable in financial terms or indeed, they may not provide any financial benefit. These represent the bottom left corner of the diagram. In addition, some costs and benefits may be non-measurable and non-financial. This represents the right hand column of the diagram. In terms of this Business Case, the costs of the components within the Call Centre will require to be analysed (they represent measurable financial information). Where possible, the benefits should be quantified.

9.5.2 Return on Investment

Return on Investment (ROI) represents both the tangible and intangible benefits against overall outlay, while extrapolating this over the full lifetime of the project. Or in other words, the Council should look for a demonstrable return on investment over a meaningful period. Calculations of ROI can be particularly difficult for three specific reasons:

- the baseline data - showing the current position - makes comparisons problematical. Before you start to identify where savings can be made, it is necessary to estimate the change between how you do things now and how they are planned to be done in the future. A systematic analysis of current operations will produce a detailed baseline from which to measure improvement;

- there are many independent variables beyond the control (or even prediction) of the Council; and

- many benefits are qualitative or intangible.
10 Conclusions and recommendations

This Section summarises the main conclusions that have emerged from the Feasibility Study Report. It is included to highlight to the Council the main elements of and drivers for the project.

10.1 Adding value - drivers for adopting the Call Centre approach

We believe that the development of a call centre within Dumfries and Galloway is a feasible business proposition, which would add value to the experience of the citizen within the Council area.

There is an opportunity for Dumfries and Galloway Council, through the development of a Council-wide call centre, to improve the standard of service to its community. At present, for example, a significant number of calls go unanswered. A centralised Call Centre with effective and active management can help to address these issues.

We believe that this service improvement can be delivered at a reasonable cost to the Council. Further work would be required to refine these costs at business case stage, and to explore the defined benefits of the proposal. However, other local authorities in Scotland have developed a call centre at no additional revenue cost, through service departments transferring a proportion of their budgets to fund the development.

Additional savings may also be available, such that the development of a call centre can be a project which the Council can hold up as increasing efficiency, reducing bureaucracy, and 'releasing resources to the front-line'. This project could be a major contributor to the current efficiency agenda in Scotland.
Appendix 1 – Core Services Targeted for Electronic Service Delivery within “Open Scotland – Building Better Services”
*ISBN 0 7559 1170 9 (web only publication)*

**Social Work and Health Services**
- Blue Badge - Applying for a blue badge
- Social Work - Applying for Home Care
- Social Work - Applying for social work services
- Social Work - Assessing need for social care (Single Shared Assessment)
- Social Work - Ordering and Supplying Aids and Adaptations to the home

**Education Services**
- Education - Booking a course and other learning activities
- Education - Making a general enquiry about Lifelong Learning
- Education - Providing information for parents
- Education - Recording pupil attendance in schools
- Education - Transferring pupil information between schools
- Education Grants - Applying for clothing grant
- Education Grants - Applying for an Education Maintenance Allowance
- Education Grants - Applying for free school meals

**Transportation**
- Paying a Parking Fine

**Housing Services**
- Housing - Applying for a house
- Housing - Enquiring about the status of a repair
- Housing - Making an enquiry about status on the waiting list (including points)
- Housing - Requesting a repair
- Housing - Requesting general information and advice
- Housing Benefit - Applying for housing benefit
- Housing Benefit - Making a general enquiry or notifying change of circumstance
- Housing Rent - Making a payment

**Land and Property Services**
- Building Control - Applying for a building warrant (including making a payment where appropriate)
- Planning - Applying for planning permission and making a payment
- Planning - Enquiring about the status of a requested planning application
- Refuse Collection - Making a complaint about refuse collection
- Refuse Collection - Making a general enquiry about refuse collection
- Roads and Pavements Fault - Reporting faults with roads and pavements
- Special Uplift - Requesting a special collection (including making a payment where appropriate)
- Street Light Fault - Reporting a fault
Leisure Services
Leisure & Recreation - Booking a Council facility and making a payment
Public Library - Renewing, extending and reserving library books

Environmental Services
Pest Control - Reporting general instances of pest infestation
Pest Control - Requesting a service to deal with pests (including making payment where appropriate)

Corporate Services
Council - Applying for a job with the Council
Notifying a change of address Registering a Birth, Deaths or Marriage (including making a payment)
Making a Complaint
Licensing - Applying for a Liquor Licence (including making a payment)
Licensing - Applying for a Street Trader Licence (including making a payment)
Licensing - Applying for a Taxi Driver Licence (including making a payment)

Financial Services
Council Tax - Making a Council Tax Payment
Council Tax - Applying for benefit, discount, exemption, relief and direct debit
Council Tax - Making an enquiry about banding, balance, direct debit or payment due date
Council Tax - Making an enquiry about entitlement to benefit/discounts/exemptions or relief
Appendix 2

Danish telephone engineer AK Erlang developed the mathematics and subsequently the formulae to determine this small percentage of unsuccessful calls. Over time these formulae were developed into tables, so that designers who knew the offered level of traffic (determined by number of calls and average call duration) in a particular time interval could look up the appropriate table to find out the number of telephone lines and servers (agents) required to sustain a particular percentage of successful call attempts. These tables are still in common use today, and Erlang is regarded as the founder of telephone traffic theory.

There are two basic approaches to managing telephone traffic:

- 'loss systems': in which unsuccessful call attempts get a busy signal or a message requesting them to retry their call. Such systems are designed using the Erlang 'B' calculation methodology; and
- 'delay systems': in which unsuccessful call attempts are placed in a queue until the required system resources become available. Such systems are designed using the Erlang 'C' tables.

Call centres (in the pure telephony sense) are an example of a ‘delay’ systems. When customers call at a time when all operators are busy, they are placed in a queue until the next operator is free.

Queuing theory has to be applied, however, because calls do not necessarily arrive in an even stream. Mathematical models can then be created and run in simulation to determine the resourcing consequences of adopting different performance criteria, i.e.:

- Number of calls expected to be received during an hour’s operation
- Time it is acceptable to expect the caller to wait for the call to be answered
- Expected average duration of each call
- Time required between calls to enable the call centre operator to complete any paperwork / computer transactions and prepare to receive the next call
- % of calls which are expected to be successfully answered

At present, the Council has only limited information about the numbers of calls received for the various services which we have recommended for inclusion in the first phase of the Call Centre. It will also be important to identify the services which will be provided from the call centre as these will determine the likely duration of calls and the demand from the public for those services.
SCENARIO 1 - CALLER USES DDI NUMBER TO DIAL COUNCIL EMPLOYEE DIRECTLY

CALLER TO THE COUNCIL

SCENARIO 2 - CALLER TELEPHONES MAIN COUNCIL NUMBER SEEKING TO SPEAK TO INDIVIDUAL / DEPARTMENT

SCENARIO 3 - CALLER TELEPHONES MAIN COUNCIL NUMBER SEEKING A SERVICE

SCENARIO 4 - CALLER TELEPHONES NEW CALL CENTRE NUMBER

TRANSITIONAL ARRANGEMENTS FOR HANDLING INBOUND CALLS DURING EARLY PHASES OF CALL CENTRE DEVELOPMENT

CALL RESOLUTION 1a
EMPLOYEE DEALS WITH CALL

CALL RESOLUTION 2/3
SWITCHBOARD OPERATOR PASSES CALL TO CORRECT PART OF COUNCIL (INC CALL CENTRE)

CALL CENTRE DEVELOPMENT

CALL RESOLUTION 1b
EMPLOYEE PASSES CALL TO CALL CENTRE TO DEAL WITH

CALL RESOLUTION 4
CALL CENTRE AGENT DEALS WITH CALL OR PASSES IT TO APPROPRIATE CONTACT WITHIN COUNCIL
Appendix 4: Programme-Level Product Breakdown Structure For Phase 1 Of Call Centre
## Appendix 5: Indicative Gross Costs of Call Centre

<table>
<thead>
<tr>
<th>Standing Data</th>
<th>Cost £</th>
<th>Revenue Expenditure - Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of seats in Contact Centre</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Hours per day opening</td>
<td>12</td>
<td>Salaries</td>
</tr>
<tr>
<td>Days per week opening</td>
<td>5</td>
<td>£ 319,250.00</td>
</tr>
<tr>
<td>Duration of shift (hours)</td>
<td>8</td>
<td>Training</td>
</tr>
<tr>
<td>Staff attrition rate per annum (%)</td>
<td>20%</td>
<td>£ 14,040.00</td>
</tr>
<tr>
<td>Days training per annum per operator</td>
<td>10</td>
<td>Building Running Costs</td>
</tr>
<tr>
<td>Induction</td>
<td></td>
<td>£ 6,000.00</td>
</tr>
<tr>
<td>Development</td>
<td></td>
<td>Recruitment Costs</td>
</tr>
<tr>
<td>Average Salary CC Operator (inc o'heads)</td>
<td>£ 15,250.00</td>
<td></td>
</tr>
<tr>
<td>Average Salary CC Supervisor (inc o'heads)</td>
<td>£ 20,000.00</td>
<td></td>
</tr>
<tr>
<td>No. of CC Operators required</td>
<td>17</td>
<td>Telephony Costs</td>
</tr>
<tr>
<td>No of CC Ops per Supervisor</td>
<td>6</td>
<td>£ 2,640.00</td>
</tr>
<tr>
<td>No of CC Supervisors required</td>
<td>3</td>
<td>Technology Maintenance</td>
</tr>
<tr>
<td>Sq metres per CC seat</td>
<td>10</td>
<td>£ 2,400.00</td>
</tr>
<tr>
<td>Total sq metres required</td>
<td>120</td>
<td>Digital Recorder Maintenance</td>
</tr>
<tr>
<td>Refurb Costs per square metre</td>
<td>£ 500.00</td>
<td>£ 1,000.00</td>
</tr>
<tr>
<td>ACD Telephones per seat</td>
<td>£ 200.00</td>
<td></td>
</tr>
<tr>
<td>Basic Technology per seat</td>
<td>£ 2,000.00</td>
<td></td>
</tr>
<tr>
<td>Additional ISDN Channel per annum</td>
<td>£ 220.00</td>
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</tr>
<tr>
<td>Trainer costs per day</td>
<td>£ 150.00</td>
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</tr>
<tr>
<td>Recruitment costs per op/supervisor</td>
<td>£ 500.00</td>
<td></td>
</tr>
</tbody>
</table>

**Total Capital** £ 96,600.00  **Total Revenue** £ 360,930.00