



To: Executive Councillor for Customer Services and Resources  
Report by: Nova Roberts - Head of Customer Services & Julia Minns - Head of Accounting Services  
Relevant scrutiny committee: Strategy and Resources Scrutiny Committee 5/7/2010  
Wards affected: All Wards

## **CUSTOMER ACCESS STRATEGY IMPLEMENTATION OUTCOMES**

### **Not a Key Decision**

#### **1. Executive summary**

- 1.1 In July 2006, the Council considered and approved the business case for implementation of a new Customer Access Strategy (CAS). This involved the establishment of a new Customer Service Centre (CSC), located in Mandela House, together with major investment in IT and communication systems to support the provision of telephone, face to face and web-based services to the public.
- 1.2 The business case was based on a payback model which demonstrated that the use of reserves to fund a major part of the initial investment of £3.8 million, could be paid back by year 7 of operation, from the estimated efficiency savings to be realised.
- 1.3 Following transfer of the final two tranches of services to the CSC in June 2010, this report presents the outcomes of the project to members, compares the projected financial outturn with the approved business case and sets out key learning points from this major Council-wide project.
- 1.4 The report confirms that the project has delivered improvements to services to the public and has met the financial business case, both in terms of delivery within budget and provision of ongoing efficiency savings.

## **2. Recommendations**

The Executive Councillor is recommended:

- 2.1 To review the outcomes and agree the conclusion of the CAS programme and the transition from a project basis to one of continuous improvement in a 'business as usual' environment.
- 2.2 To endorse the delivery and achievement of the CAS business case position against the forecast payback model

## **3. Background**

3.1 The CAS focused on the improvement of customer service and efficiency by establishing a CSC in Mandela House. This was underpinned by investment in Customer Relationship Management (CRM) technology with integration to back office business systems where possible, development of the web to encourage electronic transactions and development of other information systems to enable first point of contact resolution for customer enquiries and transactions. This is summed up by the CAS objectives:

- Set up a corporate Customer Service Centre handling the majority of face to face and telephone calls for services across the Council
- Reorganise the way we currently provide our services to make a clearer split between front and back office functions so that we can transfer all straightforward customer transactions into the Customer Service Centre
- Develop the website to make it easier to use to access services and to encourage "self-service" where we can.

3.2 This was an ambitious programme to completely reconfigure the way we provide services to customers to make them more joined up and effective from the customers' point of view and to generate efficiencies in the way we handle those customers. The CSC would aim to resolve all requests for information, process applications for some services and process payments for all services at first point of contact. This would be supported by improvements to the Council's website to encourage customers to access services on-line.

3.3 The new service would provide consistency across the Council's customer services and provide value for money by making better use of resources. From a customer's point of view this would be an improvement in the quality of their experience, as they would have

one point of contact with the Council to receive a variety of services. Customers would still be able to access caseworkers and specialists for more complex queries where this was required.

#### **4. Project Implementation**

- 4.1 The CSC moved services in a phased transition (see Appendix A) and opened with the first phases on 7 and 14 April 2008, with the final tranches completed by the end of June 2010. Underpinning this achievement was the delivery of the completed building, procurement and implementation of several major IT and telephony systems, redevelopment of the web for these services. In addition, the transfer of existing staff and recruitment of new staff, and the management of substantial change in the organisation underpinned this achievement.
- 4.2 The CAS project had a robust organisational structure using Cambridge City Council's Project Management Guidelines. Appendix B outlines the management arrangements, main project work streams and roles and responsibilities within the of the Customer Access Project Management structure.

#### **5. Project Achievement and Performance**

- 5.1 The development of services to 'go-live' in the CSC brought together an increased range of services to enable delivery to customers through the contact centre, on-line services, face to face and cashiering in one location and over extended hours of operation.
- 5.2 The Service has been in operation for over 2 years with strong working relationships developed with the services supported and performance being continuously monitored, reviewed and improved. It was recognised, however, that full efficiencies would not be achieved until all services were fully integrated with full operational staffing in the CSC and proper integration had been achieved with back office systems.
- 5.3 Internal ring-fenced staff had the opportunity for personal development to prepare for the assessment processes as agreed with the Unions. This supported the successful recruitment of internal and external staff for the CSC team as well as enabling some current team members to gain secondment opportunities, with increased responsibility, in the CSC. The current workforce is made up of 65% internally recruited staff.

5.4 This assessment and development project was recognised through the achievement of the East of England Regional Council for Local Government Workforce Development Award in 2007. The staff that were involved in these recruitment processes highlighted the following benefits:

- The process developed a greater awareness of their own strengths and development needs.
- Several individuals had the opportunity to demonstrate areas of strength that they were not required to display in their current/ previous role at the council.
- Deeper understanding of the new roles within the CSC and how the new service was going to work.
- Meeting people from across the organisation that they had heard of, and spoken to on the phone, but never met face to face was identified as a huge plus by many participants.

5.5 Implementing a specific training and development programme for the customer service team ensured that a co-ordinated, structured and methodical approach to training was achieved. Feedback from the performance reviews highlighted the following themes from staff;

- Enjoying job and variety in role and working in the CSC
- Great team work & support from all areas in the CSC
- New members felt very welcomed at the CSC by existing staff
- Development opportunities were embraced and welcomed
- Sense of pride working for the CSC
- The feeling of empowerment and personal responsibility

5.6 There have been some specific changes and improvements to the way we deliver services:

- Increasing the number of services to benefit from email routing into the CSC to manage emails in the same 'real-time' way as phone calls and significantly improve response times, to less than 4 hours to respond as opposed to 5-7 days previously.
- When queuing became too lengthy at the reception desk, a document 'drop-off desk' was introduced to improve customer contact times face to face and allow customer to hand over documents in a more private area.
- Reviewed and implemented a competency-based training and development programme that has supported the creation of corporate training modules including a customer service corporate induction session.
- Significantly improved the ability of CSC staff to manage a range of enquiries by implementing a thorough programme of multi-skilling in a range of service areas.

- Developed and launched CRM integration to the Revenues & Benefits system, and the Environmental Services system to improve joined up working and information at point of contact with the customer.
- Improving the customer flow in the face-to-face areas by implementing a self-service option, additional large PC screens with improved large scale printing capability for planning purposes.
- Strong collaborative working and operational delivery for new corporate policy launches and peak customer contact periods such as Christmas/New Year waste and recycling collections; elections and the launch of Blue Bins.

5.7 The outcomes from the Citizen's Survey in Autumn 2009 revealed that overall satisfaction with customer contact is up from 74% in 2007 to 78% and recorded a shift away from phone to e-mail/website with 56% (71% in 2007) using the phone for contact and 18% (9% in 2007) using e-mail/website.

5.8 The CSC received 207 compliments detailed examples of feedback since opening are included in Appendix C. Listed below are some core themes that have been highlighted as important to our customers particularly, it would appear, over the economic downturn when needs have been changing:

- Speed of response
- CSC access and approachability of staff
- Staff kindness, honesty, knowledge and understanding
- Explaining complex issues in plain English
- Making customer feel valued and welcome

5.9 Since opening we have received 36 complaints. The main reasons related to:

- Physical set up
- Staff response
- Waiting time

5.10 An Internal Audit review in May 2010 highlighted that the management information prepared by the CSC is appropriate for managing the CSC and improving the quality of the service provided to the public. The system for preparing this information includes controls to provide assurance on the accuracy of this information. Arrangements for discussing the information with back office services are strong, although there is some scope to provide additional detail to further assist managers of back office services to further improve their

services' performance. A 'significant' assurance rating has been given to the CSC's management information process.

- 5.11 The performance of the CSC for 2009 –2010 reveals some significant achievements whilst in periods of service transition. Year to date (March 2010) totals; 164,724 calls were received in the contact centre with 90% of these resolved at the first point of contact and 152,591 calls received to the switchboard with 95% of these answered. Emails received numbered 25,078, with an average resolution time of 3 hours and 14 seconds, and 42,000 customers visited the CSC, with 18,822 referred for more detailed consultation and 95% of these resolved at first point of contact.

## **6. Review of Project Learning Areas**

- 6.1 This very large-scale corporate project was well planned and had robust project management using the corporate project governance guidelines ensuring the structure was tied into the budgetary, HR, procurement and strategic decision making process resulted in great success. The detailed learning examples are in Appendix D.
- 6.2 Establishing a well skilled project team ensured this success and it would have been beneficial to retain some of the key roles in this team for an extended period following the opening of the CSC. This would have provided additional support in the live environment; continued transition of services and the bedding in of a new department. The key attributes successfully demonstrated by the project team included strong leadership with a seconded Programme Manager; expertise; joint purpose; commitment and professionalism achieved through clarity of their roles on the team.
- 6.3 Initially, there was scepticism from some of the services towards the objectives of the project and the ability of the CSC team to deliver. However, the work that was undertaken in defining the service requirements and the determination to succeed from the CSC staff, the service areas and the project team resulted in the establishment of strong working relationships to implement and maintain successful service transitions.
- 6.4 The business analysis process was used to identify process redesign, inform systems development and confirm FTE reductions in service. On occasions this proved a contentious mix and any delays to progress hinged on lack of faith in the BPR process and protracted discussions about the proposed level of FTE.

- 6.5 The key learning point for the council would be to not underestimate the complexities of IT systems delivery and limitation of integration solutions. The lesson drawn from the implementation of CRM is to simplify development and not to be over ambitious by creating complex integration and processes, as this has a direct impact on systems capability and timescales of system implementation.
- 6.6 Thorough planned internal and external CAS communication plans were drafted to meet overall project communications objectives. These plans were agreed with the key stakeholders and successfully implemented to ensure all customers knew who to contact and where to go for the service they required at each stage of the project.
- 6.7 One of the main reasons for success in delivery of the project and the new service has been the establishment of the professional customer service team in the CSC. This has been achieved with detailed focus on people and their development, assisting internal ring fenced staff to prepare well for a selection centre, behavioural focus on the required core competencies, raising awareness of individual strengths and development areas, ability to multi-skill and learn new ways of delivering service and opportunity to demonstrate new skill areas beyond previous roles. Continued focus on coaching and feedback throughout the CSC also provides a deeper understanding of the roles and responsibilities of continuous improvement.

## **7. Review of achievement against the Business Case**

- 7.1 The original Business Case for the Customer Access Strategy was approved by members in July 2006. The Business Case was based on a payback model demonstrating that the use of reserves, to fund the major part of an initial investment of £3.8 million, could be paid back during year 7 of operation and, thereafter, achieve annual savings of £822,000. The savings were to be achieved largely through an overall reduction in staff numbers delivering face to face and telephone services to the public.
- 7.2 In total, it was estimated that, by bringing services together and achieving efficiencies through both economies of scale and the effective use of technology, staff numbers would be reduced overall by 54 full time equivalents (FTEs). This would be achieved through a combination of re-deployment, natural turnover and, where necessary, redundancies.

- 7.3 The original Business Case has been updated twice, for the 2007 and 2008 Medium Term Strategy (MTS) documents, to reflect changes to the planned dates for transfer of service tranches and to reflect an increase in the CSC footprint and related building costs of £101,300. In addition, the price base for staffing elements of the Business case was uplifted to reflect pay inflation, including changes to employers National Insurance & pension contributions. No revisions were made to the original FTE assumptions for CSC staffing or to the FTE savings from re-structuring.
- 7.4 The funding of initial set-up costs in the original business case was based on utilising the then balance of the Council's Technology Investment Fund together with some Repairs & Renewals reserves funding, leaving an amount of £2.75 million to be funded from general reserves. This sum was to be shared between the General Fund and the Housing Revenue Account based on a detailed analysis of relevant workloads, 77% and 23% respectively.
- 7.5 Although the final two tranches of services have only recently transferred to the CSC (and some restructuring in the original service departments is not yet completed) it is felt that costs can be forecast with sufficient accuracy at this stage to present this final outcomes report to members.
- 7.6 Remaining expenditure for capital set-up costs, £215,330, relates to outstanding work on implementing and integrating IT & telecommunications systems. In relation to revenue set-up costs, £39,950 will be required in the current financial year primarily to meet the balance of business process re-engineering and recruitment costs and £215,350 to meet the costs of redundancies and early retirements (where the payments to the Pension Fund are spread over five years). Requests to carry forward these budgets are made in recommendations elsewhere on this agenda.
- 7.7 Appendix E sets out the approved Business Case, as updated in the 2008 MTS, and Appendix F sets out the projected final outturn position. Key comparisons are set out in the table below:



	Business Case	Projected Final Outturn	Variance
Capital Set Up Costs	£2,420,900	£2,363,381	£57,519
Revenue Set Up Costs	£1,510,640	£1,329,965	£180,675
Total Set Up Costs	£3,931,540	£3,693,346	£238,194
Pay-back achieved	2014/15	2014/15	
Annual saving in running costs	£884,310	£1,044,490	£160,180

7.8 Overall, it is projected that the Business Case will be achieved both in respect of containing implementation costs within budget and the on-going annual savings in running costs under the new service delivery model. Pay-back of reserves used to fund initial investment is expected to be achieved during 2014/15, as in the Business Case, but with a higher contribution in that year.

7.9 The Council's budget forecasts currently reflect the ongoing savings as anticipated in the approved business case (shared between the General Fund and the HRA). Any additional savings achieved, projected at a further £160,180 per year, will contribute towards the Council's on-going savings requirement.

## 8. Background Papers

These background papers were used in the preparation of this report:

Customer Access Strategy Report to Executive Councillor for Customer Services & Resources 4 July 2006

Financial management system capital and revenue outturn reports.

Project Management files and reports.

Medium Term Strategy 2008

## 9. Appendices

Appendix A:	CAS Service Transition Calendars
Appendix B:	CAS Project Governance Structure
Appendix C:	CAS Summary of Customer Feedback
Appendix D:	CAS Summary of Project Learning Areas
Appendix E:	Approved Business Case Payback Model
Appendix F:	Financial Outturn Business Case

## 10. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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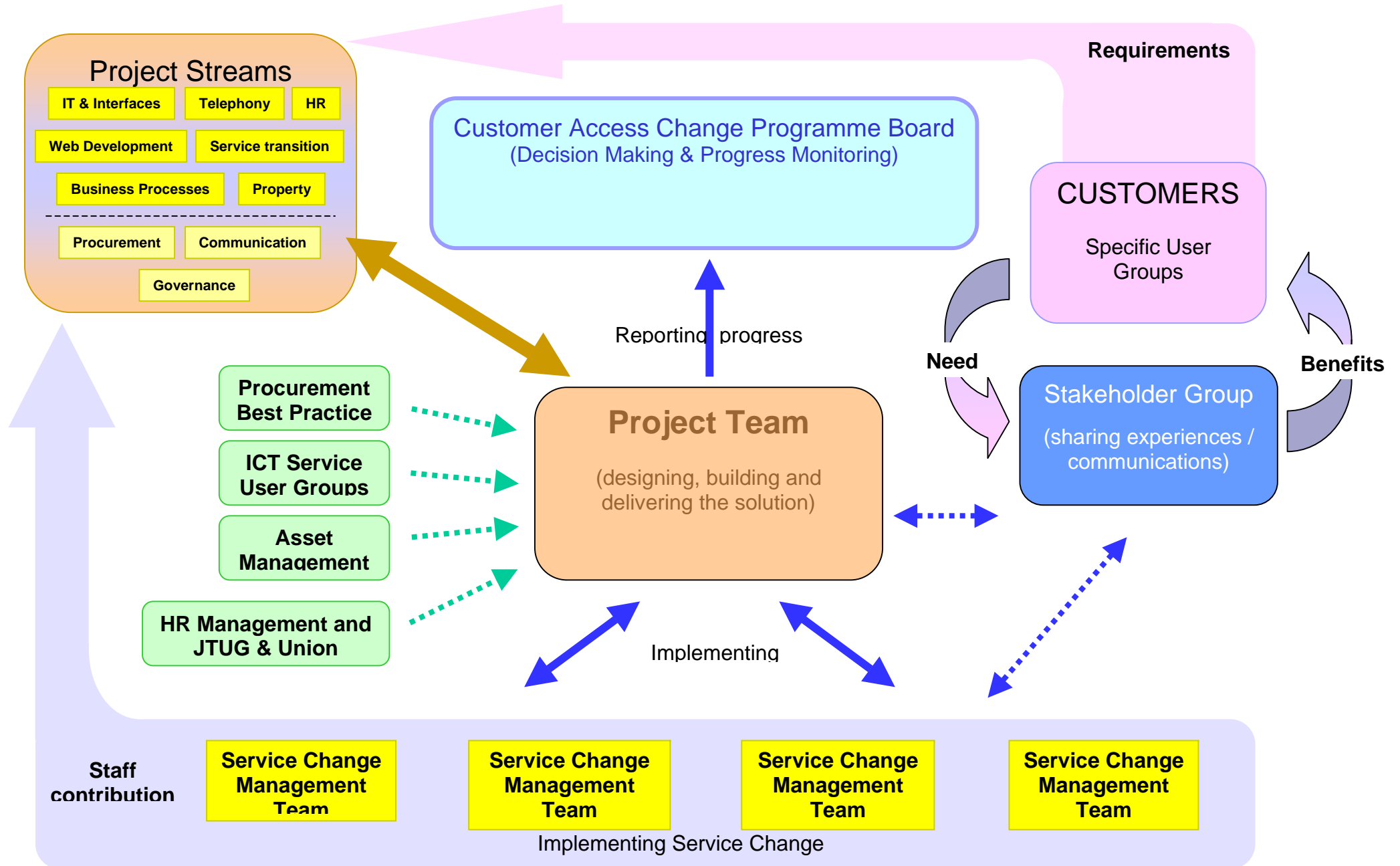
# PLANNED CAS SERVICE TRANSITION

## Appendix A

Channel	Implementation Year 1			Implementation Year 2		
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
	Feb 08	Aug 08	Nov 08	Jan 09	April 09 – Oct 09	April 09 – Oct 09
<b>Telephone</b>	Switch Board, City Services Helpdesk, Generic Enquiries	Revenue, Benefits, NNDR, Housing Options & Advice	Environmental Services  Community Development,  Active Communities,  Safer Communities	Housing Repairs	Environment and Planning Development Control, CASS Building Control, Policy & Projects City Centre Management Urban Design	City Homes Tenancy Management, Income Management Estate Management  LAPE
<b>F2F</b>	Revenues, Benefits, NNDR (Advice Centre), Cashiers, Guildhall Reception Housing Options & Advice Housing Needs Choice Based Lettings	Revenues, Benefits, NNDR, Housing Options and Advice, Housing Aid Temporary Housing				
<b>Self Service (Via Web)</b>	Generic Processes Payments Choice Based Lettings Revenues, Benefits, NNDR, CBL	Revenues, Benefits, NNDR, Housing Needs, Housing Aid and Temporary Housing				

**Actual**

	Go Live in 2008		Go Live in 2009/10			
Channel	Tranche 1 April 2008	Tranche 2 October 2008	Tranche 3 Mar 2009- June 2009	Tranche 4 June 09	Tranche 5 January 10 – June 10	Tranche 6 March 10
<b>Telephone</b>	Switchboard City Services Help Desk Generic Enquiries	Revenues, Benefits Housing Options, Aid, Advice & Temp	Environmental Services  Community Development	Housing Repairs	Environment & Planning;  City Centre Management	Tenancy Management  Income Management
<b>Face to Face</b>	Benefits, NNDR Cashiers, Guildhall Reception <b>Housing Options &amp; Advice Choice Based Lettings</b> Generic Processes	Electoral Services Data Protection (Telephone & Face to Face)	Active Communities  Safer Communities		CASS (Reception Services)  Policy & Projects  Urban Design  Development Control  Building Control  Taxi Licensing	Estate Management
<b>Self Service (Via Web)</b>	Generic Processes Payments <b>Revenues Benefits</b> NNDR CBL					





## **COMPLIMENTS**

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Since opening the Customer Service Centre received **207** compliments. Sample comments include:

### **Model of Excellence**

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- Excellent and helpful, can't get any better than it is.
- Thank you to an extremely polite young lady for the help in getting the information I required. She is a credit to the Council, very well done. Thank you for being so patient and courteous answering my many questions.
- Excellent service as usual, things have really improved over the last few years. It makes it so much easier for people who are in difficult circumstances.
- Staff member is outstanding she gave me clear directions for solving a complex issue that had caused me problems for months.
- Much improved service face to face.
- Thank you for going that extra mile to sort out my recycling.
- I was impressed that the CSC team member had taken ownership of the enquiry. The service was exceptional.
- Thank you so much; your department is a credit to the Council
- The staff proactively approached me while I was waiting and was most helpful and did not let go until the answer was found.
- Reception staff are polite and helpful. Staff were working hard and responding professionally to customer queries.
- I received a really good personal service.
- Very professional, clear and personable, I would poach her if I could.

### **Speed of response**

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- The team resolved the problem even as I talked to them.
- Thank you for the speedy response; I was amazed how quickly this was done.
- Staff member was able to clarify an issue in a single visit that has taken months before, excellent service.
- Prompt and knowledgeable, this made a difficult task less unpleasant.
- It has significantly improved my day to have this problem resolved so easily.
- Thank you for your prompt reply and rapidly dealing with the matter. I am impressed and don't think I have lived anywhere with such an efficient Council.
- I telephoned for a copy of Parks and Open Spaces Strategy. A man phoned me back within 10 mins (excellent) to say there was a copy for me in reception (even better).
- Visited Mandela house yesterday and today about emergency repairs. On both occasions I have been dealt with as an emergency, which it was, and I am very grateful.

### **CSC Access & Physical Environment**

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- Was impressed with the welcoming and calming environment and what has been achieved.
- Thank you to the person who chose the hold music, as it is very relaxing.
- Mandela House reception is impressive without being too flashy.

**Staff Attitude – Kindness, Honesty, Knowledge and Understanding**

- Staff member made me feel much better about the whole situation. Staff are a testament to how to deal with customers with special requirements and a credit to CCC.
- If everybody treated people the way CSC staff did it would make honest people like me feel truly valued.
- Customer would rather deal with honest people like CSC staff.
- Thank you for the personal touch
- I would like to thank the Cashier's office for their excellent customer service. I have been impressed by the efficiency, promptitude and courtesy with which you handle council tax payments.
- On arrival I found reception helpful. I then moved to an advisor who was cheerful and polite and advised me in a language I understood.
- Pleasant approachable, friendly and welcoming staff, helpful and informative.
- Delightfully helpful and assertive: lots of knowledge and very happy.
- The CSC staff member explained exactly why his claim had been reduced and what was required to move forward.
- Customer was having his house repossessed. Throughout the ordeal CSC staff were helpful, sympathetic and he felt they were on his side.
- Thank you for dealing with my query, the noise has now stopped and this has made a real difference to my life, as I have been very ill.
- Thank you to the staff member for her understanding, guidance and promptness dealing with a particularly vulnerable resident.
- Customer thought CSC staff member sounded very cheerful and liked her tone of voice. She had recently lost her husband and it was nice to hear a cheery voice.
- Thank you to the staff member for help my with my claim this was backdated for 4 years and she is so grateful.
- We have now received our deposit back from our landlord, many thanks for your help and explaining how to get our money back.



## **COMPLAINTS**

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Since opening the Customer Service Centre received **36** complaints. Sample comments include:

### **Physical Set Up**

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A customer complained there is no seating in the queue and this has now been added to the cashier's area.

Chair in seating area is too low – Various groups were consulted at the set up of the CSC and a range of appropriate seating has been provided and larger number of higher chairs have been provided.

No hooks at Mandela House to tie up dogs. This has since been addressed and there are now hooks provide for dog leads, situated a safe distance from the side of the entrance doors.

A couple of customers complained that there is no vehicle parking or cycle parking directly outside the in the CSC entrance this has been reviewed for cycle racks and these will be installed. After consultation with the County Council alternative wall mounted racks were not permitted however this has been reviewed for cycle racks and these will be installed in the lobby but also leaving wide enough access to the entrance and access to the post box.

A couple of complaints were about directional signs inside CSC and amendments were made where relevant.

### **Staff Response**

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Unacceptable behaviour/attitude of staff as many personal questions were asked. Staff often needs to ask personal questions when dealing with complex issues. Individual issue was addresses with the customer and staff member concerned.

Customer had complained about the way a member of staff had dealt with her enquiry. On investigation, the customer had two properties and had given the adviser the wrong address.

No answer received from email – customer was using an old email address

### **Waiting Times**

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In the opening months, several customers had complained about how long they had to wait. Documents were taking a long time to process at the reception desk and so a 'Fast-track' desk was created for document drop off.

Queue jumping – follow the ticket numbers so everyone is seen in a 'first come first served' order. Everyone is given a ticketed number but it depends on what the query is to which appropriately skilled advisor they are seen by. This is now clearly explained at the reception desk when tickets are issued.

# **CUSTOMER ACCESS STRATEGY SUMMARY OF PROJECT LEARNING AREAS**

## **Appendix D**

### **Service Transition**

- The planning, development and build of the Customer Service Centre at Mandela House was successfully delivered with build delays kept to a minimum and implementation well executed to tight deadlines.
- Taking a phased approach to Service Transition ensured that staff were able to gradually familiarise themselves with the service area and systems in a live environment without the pressure of full volumes. This also reduced the risk of depleting the service area of a number key team members as they were able to provide relevant resources at specific times to support the business analysis and go-live set up's.

### **IT and Business Process Re-engineering (BPR)**

- This CAS integration vision was too ambitious and the integrations achieved were not easy. There is now greater awareness that integration can be high risk. Even with some major systems integration achieved, there is a continued requirement for detailed forward planning to minimise the risk of upgrades “breaking” the links that have been established.
- With the integration not able to be achieved in all areas this has resulted in the ‘over – layering’ of multiple systems for staff members which has reduced the ability to cross train staff and with the need to regularly open and access multiple systems.
- The lesson drawn from implementation of CRM is to simplify development and not to be over ambitious, or create complex integrations and processes, as this has a direct impact on systems capability and timescales of system implementation. There is also a clear need to have detailed development plans for all of our key back office systems and the need to manage supplier relationship to ensure clarity in the management of systems upgrades and replacements.
- The BPR process was used to identify process redesign, inform systems development and confirm FTE reductions in service. On occasions this proved a contentious mix and any delays to progress hinged on lack of faith in the BPR process and protracted discussions about the proposed level of FTE.

## **CUSTOMER ACCESS STRATEGY SUMMARY OF PROJECT LEARNING AREAS**

## **Appendix D**

### **Web Development**

- Website structure is different to council structure, this resulted in some sections of the website not being updated at the same time as the department went through the CAS process.
- Web team staffing has fluctuated during the CAS project, requiring flexibility when planning workload. Ongoing problems recruiting a web manager and gaining ownership from departments to engage in content revision have had a major impact on the web delivery of each tranche.
- Much has been achieved to improve the city council website in spite of staffing issues and technical challenges with suppliers.

### **People**

- Internal staff development and the robust competency based recruitment processes ensured that the team were fully trained and specifically prepared for the CSC environment, as well as the service specific training, well in advance of the transfer of services. This assessment and development project was recognised through the achievement of the East of England Regional Council for Local Government Workforce Development Award in 2007.

### **Project Management**

- Establishing a well skilled project team ensured success and it would have been beneficial to retain some of the key roles in this team for an extended period following the opening of the CSC. The key attributes successfully demonstrated by the project team included strong leadership with a seconded Programme Manager; expertise; joint purpose; commitment and professionalism achieved through clarity of their roles on the team.

## Customer Access Strategy - Review of Business Case at June 2010

<b>Approved Business Case (MTS 2008)</b>	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Total
	£	£	£	£	£	£	£	£	£	£	£
Staffing Costs of Old Service Model	0	0	6,757,000	6,757,000	6,757,000	6,757,000	6,757,000	6,757,000	6,757,000	6,757,000	54,056,000
New / Restructured Back Office Staffing Costs	0	0	5,516,960	3,977,030	3,837,570	3,837,570	3,837,570	3,837,570	3,837,570	3,837,570	32,519,410
<b>BACK OFFICE SAVINGS</b>	<b>0</b>	<b>0</b>	<b>(1,240,040)</b>	<b>(2,779,970)</b>	<b>(2,919,430)</b>	<b>(2,919,430)</b>	<b>(2,919,430)</b>	<b>(2,919,430)</b>	<b>(2,919,430)</b>	<b>(2,919,430)</b>	<b>(21,536,590)</b>
<b>COSTS OF NEW SERVICE MODEL</b>											
New running costs of Customer Service Centre	85,490	363,830	1,669,170	2,009,520	2,035,120	2,035,120	2,035,120	2,035,120	2,035,120	2,035,120	16,338,730
<b>NET INCREASE / (REDUCTION) IN RUNNING COSTS</b>	<b>85,490</b>	<b>363,830</b>	<b>429,130</b>	<b>(770,450)</b>	<b>(884,310)</b>	<b>(884,310)</b>	<b>(884,310)</b>	<b>(884,310)</b>	<b>(884,310)</b>	<b>(884,310)</b>	<b>(5,197,860)</b>
<b>SET UP COSTS AND FUNDING</b>											
Capital set up costs	180,410	1,520,740	719,750	0	0	0	0	0	0	0	2,420,900
Revenue set up costs	52,210	426,670	833,740	66,740	33,600	33,600	33,600	21,100	9,380	0	1,510,640
Total set up costs	232,620	1,947,410	1,553,490	66,740	33,600	33,600	33,600	21,100	9,380	0	3,931,540
Use of Earmarked Reserves (TIF & R&R)	(137,080)	(826,990)									(964,070)
<b>Balance to be funded from General Reserves</b>	<b>95,540</b>	<b>1,120,420</b>	<b>1,553,490</b>	<b>66,740</b>	<b>33,600</b>	<b>33,600</b>	<b>33,600</b>	<b>21,100</b>	<b>9,380</b>	<b>0</b>	<b>2,967,470</b>
<b>NET USE OF / (CONTRIBUTION TO) RESERVES</b>	<b>181,030</b>	<b>1,484,250</b>	<b>1,982,620</b>	<b>(703,710)</b>	<b>(850,710)</b>	<b>(850,710)</b>	<b>(850,710)</b>	<b>(863,210)</b>	<b>(874,930)</b>	<b>(884,310)</b>	<b>(2,230,390)</b>
<b>IMPACT ON RESERVES / PAYBACK STATEMENT</b>											
Opening Balance		186,280	1,724,380	3,849,570	3,329,490	2,631,250	1,896,530	1,123,060	296,150	(578,780)	
Temporary use of / (repayment of) reserves	181,030	1,484,250	1,982,620	(703,710)	(850,710)	(850,710)	(850,710)	(863,210)	(874,930)	(884,310)	
Loss of interest	5,250	53,850	142,570	183,630	152,470	115,990	77,240	36,300	0	0	
Closing balance	<b>186,280</b>	<b>1,724,380</b>	<b>3,849,570</b>	<b>3,329,490</b>	<b>2,631,250</b>	<b>1,896,530</b>	<b>1,123,060</b>	<b>296,150</b>	<b>(578,780)</b>	<b>(1,463,090)</b>	
<b>RESERVES PAYBACK DURING 2014/15</b>									<b>Payback</b>		

## Customer Access Strategy - Review of Business Case at June 2010

<b>Actual / Forecast Results (June 2010)</b>	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Total
	Actual	Actual	Actual	Outturn	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	
	£	£	£	£	£	£	£	£	£	£	£
<b>BACK OFFICE BUDGET SAVINGS</b>	0	0	(977,130)	(1,740,280)	(2,602,330)	(2,872,640)	(2,957,210)	(2,957,210)	(2,957,210)	(2,957,210)	(20,021,220)
<b>COSTS OF NEW SERVICE MODEL</b>											
New running costs of Customer Service Centre	53,473	254,072	1,436,591	1,648,507	1,912,720	1,912,720	1,912,720	1,912,720	1,912,720	1,912,720	14,868,963
<b>NET INCREASE / (REDUCTION) IN RUNNING COSTS</b>	<b>53,473</b>	<b>254,072</b>	<b>459,461</b>	<b>(91,773)</b>	<b>(689,610)</b>	<b>(959,920)</b>	<b>(1,044,490)</b>	<b>(1,044,490)</b>	<b>(1,044,490)</b>	<b>(1,044,490)</b>	<b>(5,152,257)</b>
<b>SET UP COSTS AND FUNDING</b>											
Capital set up costs	180,412	1,520,254	367,514	79,868	215,333	0	0	0	0	0	2,363,381
Revenue set up costs	52,205	426,656	352,461	243,350	180,506	20,757	20,757	20,757	6,635	5,881	1,329,965
Total set up costs	232,617	1,946,910	719,975	323,218	395,839	20,757	20,757	20,757	6,635	5,881	3,693,346
Use of Earmarked Reserves (TIF & R&R)	(137,082)	(455,114)	(182,000)	(49,053)	(186,702)						(1,009,951)
<b>Balance to be funded from General Reserves</b>	<b>95,535</b>	<b>1,491,796</b>	<b>537,975</b>	<b>274,165</b>	<b>209,137</b>	<b>41,514</b>	<b>41,514</b>	<b>41,514</b>	<b>13,270</b>	<b>11,762</b>	<b>2,758,182</b>
<b>NET USE OF / (CONTRIBUTION TO) RESERVES</b>	<b>149,008</b>	<b>1,745,868</b>	<b>997,436</b>	<b>182,392</b>	<b>(480,473)</b>	<b>(918,406)</b>	<b>(1,002,976)</b>	<b>(1,002,976)</b>	<b>(1,031,220)</b>	<b>(1,032,728)</b>	<b>(2,394,075)</b>
<b>IMPACT ON RESERVES / PAYBACK STATEMENT</b>											
Opening Balance	0	152,588	1,958,556	3,094,832	3,323,104	2,863,901	2,004,165	1,060,399	79,443	(951,777)	
Temporary use of / (repayment of) reserves	149,008	1,745,868	997,436	182,392	(480,473)	(918,406)	(1,002,976)	(1,002,976)	(1,031,220)	(1,032,728)	
Loss of interest	3,580	60,100	138,840	45,880	21,270	58,670	59,210	22,020	0	0	
Closing balance	152,588	1,958,556	3,094,832	3,323,104	2,863,901	2,004,165	1,060,399	79,443	(951,777)	(1,984,505)	
<b>RESERVES PAYBACK DURING 2014/15</b>									<b>Payback</b>		