PAPER B

Purpose : for Decision

REPORT TO THE EXECUTIVE

Date : **24ᵗʰ September, 2003**

Title : **CORPORATE CALL CENTRE PREMISES**

REPORT OF THE DEPUTY LEADER

IMPLEMENTATION DATE : October 2003

SUMMARY/PURPOSE

1.   To seek approval to use Enterprise House as a corporate telephone call centre.

CONFIDENTIAL/EXEMPT ITEMS

2.   None.

BACKGROUND

3.   The Great Access to Great Services (GAGS) paper approved by Full Council in February 2003 set out the vision of becoming a truly customer centred organisation, together with four key supporting principles:

- 80% of enquiries to be dealt with at the point of first contact
- all customer facing points to be managed, and act, in a consistent way
- a wide choice of contact methods and all services available at all service points
- where possible, information to be captured once only and shared as appropriate

4.   In order to achieve this vision, the organisation needs to restructure the way that it provides its services and the Programme Board established to oversee the project determined that the most appropriate way to achieve this was to make an explicit distinction between customer facing services (the 'front office') and specialist support services (the 'back office').

5.   It is intended that the new 'front office' function will take on responsibility for the majority of initial enquiries from the public (whether by phone, face to face or other access channel) and that services will be transferred from the back office to the front office wherever appropriate to enable those enquiries to be resolved at the point of first contact. Where possible, this approach will also include partner organisations such as the NHS.

6.   The first phase of this work involves the establishment of a corporate telephone enquiry centre and it is proposed to use the top floor of Enterprise House for this purpose. A full assessment of the reasons for this is attached as Appendix A.

STRATEGIC CONTEXT

7.   The national Modernising Government agenda set out the principle of building services around citizens choices and making services more accessible. The GAGS project and the proposal to establish a corporate call centre are entirely consistent with these objectives.

8.   The national e-government agenda set the target that all services which are suitable for electronic provision must be provided by such means by 2005. The call centre project is a crucial part of the council's response to this target.

9.   The Corporate Plan set out the aim of being classified by the Government as a high performing authority, providing high quality services and giving excellent value for money. Again, the GAGS project and the proposal to establish a corporate call centre are entirely consistent with these objectives.

CONSULTATION

10.   There has been extensive consultation over the principle of GAGS and the proposal for a corporate call centre. Consultees include the Programme Board, Resources Select, other Members, Directors, Heads of Service, front line staff, Unison, other authorities, potential partner organisations and suppliers. Consultation with the public was carried out indirectly as part of the Consulting With The Public Best Value Review.

11.   In addition to the above, there has been consultation around the specific location of the call centre with the Programme Board, the Accommodation Task Group, Directors and Heads of Service, some front line staff, Property Services and the Economic Partnership.

12.   The overwhelming consensus is that Enterprise House represents the most appropriate location for a call centre.

13.   Advice has also been taken from Angus Doulton of CDW and Associates Ltd on the wisdom of the Council entering into this type of commitment at the present time. A full copy of the consultant's report has been circulated to all Members of the Executive Committee and the Resources Select Committee. The report is also available online at http://wightnet2000.iow.gov.uk/direction/gags and upon request from Committee Services. A summary of the report appears as Appendix B to this paper.

14.   Members will see that the consultant's advice is that *"in the immediate short term, GAGS offers considerable improvement through the development of a call centre and of the underlying processes that support it. (pg1)"*.

15.   The report goes on to say *"It is important to recognise that the call centre essentially includes service development"* and that *"If the current phase of GAGS is beginning to seem like a large amount of work to crack a comparatively small nut, it must be understood that it is in fact laying the foundations for significant longer term development (pg 1)"*.

16. The report notes that the call centre *"… has the potential for being a sensible next step or a considerable risk. The first risk is that it will be seen as a glorified switchboard. … The second risk is that it may never be seen as a service access channel in its own right. …The third risk is of ending up with a number of different call centres (*because of poor integration with existing provision) *with none of them working as well as they could. (pp23 - 24)".*

17. The report concludes that "*Both the DIP and the Call Centre projects are sensible next steps provided they are managed within the context of service improvement …. Both projects should be progressed within a wide-ranging plan focused on the implementation environment and on the opportunities to create new service effectiveness - there is nothing to gain, and quite a lot to be lost, by delay (pg 2)".*

FINANCIAL/BUDGET IMPLICATIONS

18. The council is currently guaranteeing the rent at Enterprise House at a rate of £135,000pa (expires January 2006). The building costs approximately £25,000 per annum to occupy.

19. in order to use the building as a call centre, it will be necessary to install a specialised phone system and associated call centre routing equipment. Data links will need to be provided back to County Hall and appropriate provision will need to be made for equipment, training and other similar items. Optional but strongly recommended additions include the provision of enhanced telephone services across the authority to provide appropriate business resilience and voice recording on all incoming telephone calls.

20. The financial implications of the project are included in Appendix C. The gross costs of using Enterprise House over the five year period amount to £527,000. The gross costs of the additional data and telephony requirements to support the facility (at Enterprise House or elsewhere) amount to £1.4m over the same period. This gives an overall total cost of £1.9m or £378,000 per annum.

21. The new funding required to use Enterprise House over the five year period amounts to £224,000 provided that the council continues to fund the existing rental costs for Enterprise House beyond January 2006. The new funding required for the data and telephony requirements amounts to £1.3m over the same period. This gives an overall total of £1.5m or £304,000 per annum.

22. Taking into account all of the currently identified sources of funding and all of the currently known project costs, the call centre project requires additional funding of £814,000 to be provided for over a five year period as shown in column three below.

23. Taking into account the Land and Property Gazetteer and CRM projects required to underpin the front office / back office split, the GAGS programme identified to date (including the call centre) will require additional funding of £1.53m to be made available as shown in column 5 below. Additional funding will also be required to support the development of other access channels in due course.

	Current balance	Call centre / telephony	Balance	NLPG / CRM	Current funding shortfall
2004/05	397	305	92	288	(196)
2005/06	141	445	(304)	87	(391)
2006/07	(13)	278	(291)	83	(374)
2007/08	61	250	(189)	198	(387)
2008/09	122	244	(122)	58	(180)
Total	**708**	**1,522**	**(814)**	**714**	**(1,528)**

24. It is important to note that the above figures show the funding required to enable the GAGS project to progress and take no account of the cash releasing and non cash releasing efficiency savings that will be generated as a result of the proposed investments.

25. The net cost to the council will therefore be significantly less than the figures shown above and it is expected that the overall GAGS programme will generate sufficient savings over the life of the programme to effectively pay for itself. In support of this, the Directors Group has committed to finance the development over the five year life of the project within approved budgets if the proposed programme goes ahead as planned.

26. There is the potential to generate some income to help offset the costs of the call centre in future years, by entering into partnership arrangements with other services on the island. These options are being explored.

LEGAL IMPLICATIONS

27. The recommendations support the improvement of delivery of a range of statutory functions in a manner consistent with the duty to deliver continuous improvement.

28. The power to incur expenditure is contained within section III of the Local Government Act, 1972 and part 1 of the Local Government Act, 2000.

OPTIONS

29. Alternative options considered for a call centre are as follows:

    (a) Westridge
    (b) Bugle House
    (c) Commercial premises in Ryde
    (d) Elmden building (Shanklin)
    (e) Commercial premises (Newport)
    (f) Externalise
    (g) Joint venture operation
    (h) Virtual call centre
    (i) Enterprise House (top floor) - leased data lines
    (j) Enterprise House (top floor) - installed data lines (recommended)
    (k) As J, plus use of the lower floor for other council purposes

30. A full assessment of these options is available in Appendix 1. Subject to other discussions with a prospective private sector tenant, the Council may wish to also use the ground floor of Enterprise House for other purposes. This will be the subject of a separate report to the Executive in the near future.

EVALUATION/RISK MANAGEMENT

31. The GAGS project is a key part of the organisation's response to the recent CPA (Comprehensive Performance Assessment) inspection and to the authority's work to meet the 2005 e-government target. Both of these require the organisation to move forward in the short term and Enterprise House is the only viable option which enables this in an affordable and cost effective way.

32. There is a significant degree of uncertainty about the eventual size of the proposed call centre. The project team is working on the basis of a start up team of between eight and fifteen seats and this is expected to grow rapidly once the project team becomes adept at service take-on. As a best estimate at the moment, the call centre is likely to be up to fifty seats within a twelve month period and substantially larger if other organisations join in. The only realistic option which can scale up to this level is Enterprise House.

33. The costs shown relate to the initial start-up team costs and additional per capita costs (for licences, workstations etc) will be incurred as the call centre grows. It is anticipated that these will be offset in the longer term by the financial benefits available as services are transferred into the 'front office'.

34. If the project is given the go-ahead this will enable the call centre to go live in early April, 2004 It will also enable the GAGS team to switch the focus of the programme over to the change management agenda and to begin to engage with Members, staff and other stakeholders on how best to implement the proposed service changes.

STRATEGIC PARTNERING

35. During the course of progressing the GAGS project, some consideration has been given to the value of the Council entering into a form of strategic partnership with a commercial organisation in order to help us deliver the project.

36. A number of authorities up and down the country have taken this step and have done so to increase their own internal capacity and to draw in significant investment from the commercial partner.

37. Whilst this is clearly an attractive proposition in principle, the partner local authority has to commit itself to a long-term contract with committed payments each year in return for services and support from the partner and also has to invest a substantial amount of time and energy to get a partnership off the ground.

38. In view of the potential benefits that might accrue from a strategic partnering approach, the Programme Board has recommended that some initial works be undertaken to evaluate the merits of this in more detail. This will be carried out by

a small officer team in conjunction with the Chairman of the Programme Board (Councillor Peter Harris) and will involve meeting potential partners to identify the type of benefits that they might bring to the GAGS project.

39.   Establishing a major strategic partnership will be a significant task and could take up to 2 years to conclude. It is therefore intended to carry out this work in parallel with the creation of the call centre, with an initial report being presented to the Executive by the end of the year. This will set out what strategic partnering has to offer and will enable the Council to consider what further steps it wishes to take.

40.   This approach is in line with the conclusions of the external consultant's report which noted that "the council does not yet have the necessary baselines in place to enable the authority to enter into strategic partnering discussions without incurring significant risks (pg 8)" and concluded that "the time to address the question of strategic partnering will occur in March next year at the earliest (pg 9)".

41.   It is also in line with the consultant's view that the call centre is a sensible next step which should be progressed. As he notes, "there is nothing to gain, and quite a lot to be lost, by delay (pg 2)"

NEXT STEPS

42.   Once the call centre proposals get the go-ahead, there will be some technical work to implement the call centre and underlying voice and data communications, together with further development on the contact management system currently being developed by the Software Development Department and deemed fit for purpose by the external consultant.

43.   This will enable the call centre to begin pilot operations in March 2004, with live operations beginning in April 2004, provided that the business case for the contact management system hardware is approved by the Executive in October.

44.   These technical aspects of the project are now relatively straightforward and once the go-ahead for the call centre is given, the main focus of the project will switch to developing understanding, buy-in and commitment to the GAGS agenda across the organisation. This work will be crucial as the potential of GAGS can only be fulfilled if Members, staff and other key stakeholders are all pulling in the same direction.

45.   It had been assumed until recently that it would be easier to get people engaged in the GAGS project once the organisation has committed itself clearly to the key enabling projects but it has now become clear that the pace of the project has meant that some key groups of people are starting to feel left behind. This needs to be addressed.

46.   Key aspects of the next phase of work will therefore include:

- Increasing Member awareness and involvement in the project
- Increasing staff awareness and involvement in the project
- Gathering and collation of business process information
- Extensive consultation about process re-engineering and service take-on

into the new front office environment
- Practical steps to achieve service take-on including identification of best practice in existing customer service areas
- Development of structural, personnel and other HR requirements
- Revision of current ways of working, including processes and procedures, information management and partnership working
- Detailed negotiations about anticipated benefits and benefit realisation mechanisms
- Responding to concerns about the impact of the project on job security
- Supporting cultural change work centred around a clear customer service vision
- Discussions with other island players about their involvement in the GAGS agenda

47. This will be supported by a range of audits recommended by the external consultant, including:

- Frequently asked questions audit / information audit (both in progress)
- Service complexity audit
- Frontline complexity audit
- Frontline service audit

Fuller details of these audits are contained in the consultant's report.

48. The explicit aim of all this work will be to develop widespread ownership of the project and to empower people across the organisation to drive the GAGS vision forward within the enabling framework that has been proposed. This will ensure that good and best practice across the organisation is harnessed effectively as well as providing the drive, energy and enthusiasm for the organisational changes that will be required.

THE E-GOVERNMENT CONNECTION

49. As part of its Modernising Government agenda, the Government has set the target that, by 2005, all services which can be provided electronically must be available in this way. Many authorities, including the Isle of Wight, initially saw this as an ICT issue although it is now recognised that the agenda is about changing the way that services are delivered to the public.

50. The Council's approach to the e-government target is primarily through the GAGS agenda and in broad terms this will be achieved as follows:

- Formal identification of the 1300 or so business processes carried out by the organisation (by mid October)
- Identification of those which can be provided electronically (by end of November)
- Prioritisation of those which can be provided through the call centre (by Christmas)
- Service take-on to provide services via the call centre (Christmas onwards)
- Service take-on to provide services via the one stop shops and other access channels (mid 2004 and onwards)
- Specialist activity to meet e-government requirements not covered by this model (mid 2004 and onwards)

51.   Services can only be deemed to be provided electronically via the telephone if the officer answering the call has electronic access to all of the information he or she requires. The call centre, CRM (Customer Relationship Management) system and EDM (Electronic Document Management) system are therefore all crucial to e-enabling the authority and once these systems are in place, they will be rolled out as appropriate to support the other access channels (in particular the one stop shops) using the same information sources and business processes.

52.   The most crucial piece of work required at this stage is to accurately identify the business processes that the council carries out. The preliminary work to achieve this for the BV157 indicator was insufficiently detailed and work is now in progress to address this need. It is anticipated that the core information required will be available by mid-October and full information on all service processes should be available by Christmas.

53.   It is anticipated that the majority of the e-government target will be met through the GAGS agenda, initially via the call centre but subsequently via the use of on-line services available directly and via one-stop shops. There are three areas however which will not be addressed by this approach:

•   e-procurement
•   electronic voting
•   smart cards

54.   The council has initiated a project to procure and implement an e-procurement solution. This work is still at the planning stage but the intention is to start implementation in late 2004 if possible.

55.   The council has no plans to introduce electronic voting at this stage and this will remain the case until there is a mandatory requirement upon the council to do so.

56.   The council has no plans to introduce smart card technology at this stage and there is no requirement to introduce them to meet the 2005 target. It is intended that the authority awaits future announcements about the introduction of national identity cards or has created a de facto island identity database via the CRM system before progressing this agenda.

RECOMMENDATIONS TO THE COUNCIL
57. That the Executive supports the use of Enterprise House as the location for a corporate contact centre (Option J).
58. That the Head of Organisational Development, in consultation with the Deputy Leader and the GAGS Strategic Programme Board is given a specific delegation to deliver the contact centre.
59. That the Executive receives a separate report in the near future on the use of the lower floor of Enterprise House
60. That preliminary investigation be undertaken of the potential benefits to the Council of engaging with a strategic partner and that a report be brought back to the Executive before the end of the year

BACKGROUND PAPERS

61. Great Access to Great Services - see Minutes of Full Council (February 2003)
62. Programme Board Minutes - monthly since March, 2003

ADDITIONAL INFORMATION

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Appendix A - Assessment of Potential Call Centre Premises

1. Introduction

This appendix summarises the results of work carried out to find premises for the proposed corporate telephone call centre, and concludes that the most appropriate location available for this purpose is the top floor of Enterprise House.

The GAGS (Great Access to Great Services) Programme Board reviewed a similar paper at its meeting on the 23rd June, 2003, supported this conclusion and recommended that the Executive be asked to formally endorse this approach.

2. Context

The GAGS project is currently divided into nine parallel streams of work as shown below. The current priorities are indicated with a **

- Premises **
- Telephony **
- Information management **
- CRM (customer relationship management) system **
- Service take-on
- Human resource issues
- Call resolution
- Compliance (policies, procedures and standards)
- Branding and communication

Although the non ** areas are important, the Programme Board has previously supported the concept of a dynamic incremental approach and the priority areas shown are key building blocks in starting to move things forward.

Once there is a clear way forward on these, the priority will shift to issues around service take-on and on winning hearts and minds for the GAGS agenda. It should be noted though that until there is clear and visible progress on the areas identified, any attempt to win widespread support is likely to lack credibility and be unsuccessful.

3. Call Centre Premises

3.1 Call centre sizing
There is a significant degree of uncertainty about the eventual size of the proposed call centre and estimates for the final number of operators vary between 65 and 120. The higher number is based on Liverpool's experience and the lower number on a scaled down estimate of demand on the island compared to Liverpool.

The project team is working on the basis of a start up team of between 8 and 15 seats and this is expected to grow rapidly once the project team becomes adept at service take-on. As a best estimate at the moment, the call centre is likely to be up to 50 seats within a 12 month period if the organisation actively progresses the transfer of services into the front office in the way that it has previously said that it will.

This number could easily grow to the 120 figure within 12 to 18 months if the council enters into a partnering relationship with the NHS, the Housing Associations and other similar bodies. St Mary's has already expressed an interest in this and initial discussions with the Trust are encouraging.

3.2 Early proposals

The lack of clarity around the eventual size of the call centre makes it difficult to estimate the office space required and it had been proposed to establish an interim call centre at the Bugle as a way of gaining practical experience of the organisation's requirements, pending the development of a more permanent home for the call centre at Jubilee Stores following the redevelopment of the Vectis building.

Since this was proposed, the Island First group have indicated their opposition to the idea of an interim call centre, and the costs of developing the Vectis building in order to free up Jubilee Stores now appear to be unsupportable.

3.3 Current Position

The current position is that the project needs to find a suitable long term home for the call centre premises <u>as soon as possible</u> to keep the GAGS project moving forward.

The project team responsible has considered a number of options, including:

i. Westridge
ii. Bugle House
iii. Commercial premises in Ryde
iv. Elmden (Shanklin)
v. Commercial premises (Newport)
vi. Externalise
vii. Joint venture operation
viii. Virtual call centre
ix. Enterprise House (top floor) - leased data line
x. Enterprise House (top floor) - installed data line

3.3.1 Westridge
- suitable as a permanent home for a small call centre (up to around 30 seats) in the Gibraltar Room but has limited scalability
- significant issues of noise and power fluctuations from Waltzing Waters
- lacks planning permission for use as a call centre
- has already been offered to Wight Leisure
- shared use of the building by the two services is believed to be untenable
- overall evaluation - not suitable

3.3.2 Bugle House
- suitable as a very basic interim call centre pending development of a permanent home
- not viable as a permanent solution due to issues of leases and physical access
- Island First group have ruled out the use of the building as a temporary facility
- Set-up costs in the order of £40k for telephony and switching, some of which is portable
- overall evaluation - not suitable

3.3.3 Commercial Premises - Ryde
- suitable call centre venue but of limited scalability (max 50 seats)
- voice and data infrastructure required
- lead time potentially an issue
- costs currently unknown and complicated by proposed commercial arrangement
- more difficult to make happen than Enterprise House
- overall evaluation - second best alternative

3.3.4 Elmden- Shanklin
- space currently available free of charge at Shanklin
- consists of a series of small rooms with no ICT infrastructure
- overall evaluation - not suitable

3.3.5 Commercial Premises (Newport)
- reasonable building with good parking
- no ICT infrastructure
- not currently equipped as a call centre
- lead time of around twelve months
- may be politically unacceptable
- overall evaluation - not suitable

3.3.6 Externalise
- logically possible to outsource the problem by getting a commercial company to run the call centre operation
- would provide instant expertise in call centre operations
- down side would be lack of knowledge of specific council processes
- long lead time
- likely to lead to job losses on the island
- unlikely to significantly improve services to the customer
- overall evaluation - not suitable

3.3.7 Joint Venture
- logically possible to do a joint venture with a large strategic partner (e.g. BT), other local authorities (e.g. Southampton, Portsmouth) or other providers on the island
- lead times for this are significant (12m - 18m)
- council would be negotiating from a position of weakness
- would do nothing for customer service in the meantime
- overall evaluation - not suitable in the short term but need to seriously explore the option for the medium to long term

3.3.8 Virtual Call Centre
- technically possible
- management of processes would be difficult
- not substantially different from current arrangements
- unlikely to deliver any significant benefits
- may be viable once front office/back office changes are complete
- not realistic as a driver of major organisational change
- overall evaluation - unsuitable

3.3.8 Enterprise House
- purpose built as a call centre - e.g. good infrastructure, acoustic flooring
- available now - call centre could be operational by April 2004
- council currently underwrites the rent to the tune of £135k pa. (expires January 2006)
- limited external interest in the building
- no current commercial interest in the property
- top floor of the building would be ideal as a start-up call centre (up to 50 seats)
- scalable - additional capacity available downstairs and next door (Innovation House)
- downstairs space provides capacity to achieve other moves and changes
- previously seen as expensive but rental now comparable to other locations (e.g. £13 per ft for Enterprise House v £12.50per ft for Innovation House
- council may have to underwrite the Partnership even after January 2006
- option backed by the Chairman of the Economic Development Partnership
- long term future / costs not yet clear
- best available option at present by far if the council is serious about progressing GAGS
- overall evaluation - go for it

4. Moving Forward

There are two schools of thought about the best way of moving the Enterprise House option forward.

- Progress with the top floor as a call centre and address ground floor issues later
- Prepare a comprehensive proposal for both floors before moving forwards

The simpler option from the GAGS perspective is to move on the use of the top floor now and to resolve the use of the ground floor at a later stage.

5. Conclusions and Recommendation

Two viable options have been identified

- Commercial premises in Ryde
- Enterprise House (top floor)

The Ryde option would be a possible second choice if the Enterprise House option is rejected but it has limited scalability, has a potentially drawn out lead time and some potentially complicated contractual issues associated with it.

Enterprise House on the other hand is ideal for the purpose of a call centre. It was purpose built, is available for immediate occupation and could be brought into use as soon as the ICT and telephony infrastructure is put into place (c5m lead time). A clear decision to go-ahead with the call centre would enable key work to be started and would also enable the main focus of the GAGS programme to be switched to the change management agenda and to enable work to begin with Members, staff and other stakeholders on how to maximise the benefits that are potentially available from the new way of working.

It is therefore recommended that the Executive supports the proposal to use the top floor of Enterprise House as a corporate call centre as soon as this can be brought on-line.

It is noted that this leaves the issue of the use of the ground floor open. Although this will need to be determined in the near future, it would seem likely that the Council will wish to use the ground floor for its own purposes once the call centre is in place. Specific proposals are therefore believed to be unnecessary at this stage.

David Price
Head of Organisational Development
4th September, 2003

Appendix B - Summary Consultant's Report - September 2003

The following two pages are an extract from the external review of the GAGS project carried out by Angus Doulton of CDW & Associates Ltd, dated 8th September, 2003. The full report is available on the council's intranet at: http://wightnet2000.iow.gov.uk/direction/gags/

Introduction

In this report we consider short, medium and long term visions of service development in Isle of Wight Council.

In the immediate *short term* GAGS offers considerable improvement through the development of a Call Centre and of the underlying processes that support it. It is important to recognise that the Call Centre essentially includes service development and is not just a telephony technology development. A Call Centre is not, nor should it become, a glorified switchboard routing calls to others.

In the *medium term* is the chance to make access to service equal all across the island by taking steps such as the development of:

> ➢ the existing Help and Advice centres in Ryde and Shanklin, and the Customer Services Centre in Newport, into full one stop shops
> ➢ other locations (e.g. the library in East Cowes) into more wider ranging community focussed service access centres
> ➢ and, in smaller places, installation of remote help for all citizens in e.g. parish halls, community centres or suitable public buildings
> ➢ mobile help.

It can be seen that there are many different choices. The important thing is to understand that all must be underpinned by the same information, data handling and service access processes as are now being developed within GAGS. Make once, use many times.

In the *long term* there may be the possibility that ownership of a level of service delivery could be passed to communities themselves. Once again this level of inclusion of the whole community would be underpinned by the developments now being made within GAGS.

If, therefore, the current phase of GAGS is beginning to seem like a large amount of work to crack a comparatively small nut it must be understood that it is in fact laying the foundations for significant longer term development. Of course there will be choices all along the way, not least in the balance of service access defined in the medium term, but those choices will not be open if you do not put the best possible foundations in place now.

In conducting this review we have concentrated on the short term scenario. In the short term GAGS will contribute strongly to fostering immediate improvement to service delivery. It would therefore be valuable even if you did nothing else. However our review confirms that GAGS is sensibly positioned so that the medium and longer term scenarios can be developed when the right moment arrives.

Finally, GAGS also offers a foundation for developing effective partnerships with other service providers across the island; many of which would surely welcome it. Considering those wider possibilities was not part of our remit.

Summary of main conclusions

GAGS has the potential to improve IWC's service to its customers in highly desirable ways. It can also act as a focus for several of the Council's other initiatives.

That potential can only be fulfilled if the underlying support processes are actively developed. Such work will help to bring staff and managers 'on board' because a growing range of people - including the unions – will become involved within a clearly demonstrable programme. This is all to the good.
Developing processes and reaching consistency in service access and delivery across the council is as important as the growth of technology use and will enable many significant improvements. The seminar attendee who said: 'Getting consistency across all frontline services would be a service improvement in its own right' is correct.

Both the DIP project and the Call Centre project are sensible next steps provided they are managed within the context of service improvement. The improvement will not come simply by procuring the technology. The implementation and the renewal of service processes to take full advantage of the investments is crucial work. Both projects should be progressed within a wide-ranging plan focussed on the implementation environment and on the opportunities to create new service effectiveness - there is nothing to gain, and quite a lot to be lost, by delay.

The CRM project is fit for current purpose. It should be speedily progressed in an open-ended way that does not preclude future integration with other tools. This is a necessary development for successful implementation of the Call Centre and for the medium term development.

GAGS should look backwards as well as forwards. There is good, and sometimes best, practice within IWC which should be harnessed. In technology terms consideration should be given to maximising use of existing GIS and similar systems in line with the GAGS objectives. Don't go rushing past the old in the excitement of the new. Make sure you use what you have already got better and learn the lessons of past successes, and failures.

IWC is not yet ready to consider a strategic partnership. Nor is it all clear, at present, what kind of strategic partnership, if any, would be most valuable. We believe that question would be better addressed in between four and six months time. There is much that IWC can do during that time which will be immediately useful regardless of what partnering decisions are finally reached and which will provide essential baseline information and experience which can inform that decision. This should not impact unhelpfully on any foreseeable future arrangement.

There is some hard work needed. GAGS is an important step towards a modernised, 21st century service fit for all the people of IoW. The main risks you must avoid are those of overlaying new methods on old structures, replicating the old service with new technology, perpetuating poor practice in an electronically enabled format.

Members were right to express concern. They now need to give strong support to both management and staff so that you can move forward together.

Appendix C1 - Premises and Telephony Costs

Premises		2003/04	2004/05	2005/06	2006/07	2007/08	Total
Costs							
1	Rent for first floor of Enterprise House	33,750	67,500	67,500	67,500	67,500	303,750
2	1st floor share of running costs	12,500	25,000	25,000	25,000	25,000	112,500
3	Alterations / building work contingency	5,000	-	-	-	-	5,000
4	Power supply arrangements - E.House	3,000	800	800	800	800	6,200
5	Power supply arrangements - C.Hall	8,000	1,000	1,000	1,000	1,000	12,000
6	Security (CCTV etc)	5,000	1,000	1,000	1,000	1,000	9,000
7	Furnishings, desks etc	20,000	15,000	5,000	5,000	5,000	50,000
8	Air conditioning		15,200	11,400	1,000	1,000	28,600
	Total Costs	**87,250**	**125,500**	**111,700**	**101,300**	**101,300**	**527,050**
Income							
9	Rent from existing underwriting budget	33,750	67,500	67,500	67,500	67,500	303,750
	Total Income	**33,750**	**67,500**	**67,500**	**67,500**	**67,500**	**303,750**
Balance required							
	Total Costs	87,250	125,500	111,700	101,300	101,300	527,050
	Total Income	33,750	67,500	67,500	67,500	67,500	303,750
	Balance required	**53,500**	**58,000**	**44,200**	**33,800**	**33,800**	**223,300**

1. Whole building cost is £135kpa. Top floor therefore 50% = £67,500. Pay 50% in yr 1 and 100% thereafter
2. Whole building cost is estimated £50kpa. Top floor therefore 50% = £25,000. Pay 50% in yr 1 and 100% thereafter
9. Assumes existing rent guarantee funding will be made available for this purpose

Premises plus telephony	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Total costs - premises	87,250	125,500	111,700	101,300	101,300	527,050
Total costs - voice and data	310,110	386,651	238,690	215,640	210,040	1,361,131
Total costs	397,360	512,151	350,390	316,940	311,340	1,888,181
Funding required - premises	53,500	58,000	44,200	33,800	33,800	223,300
Funding required - telephony	251,235	386,651	233,690	215,640	210,040	1,297,256
Total funding required	304,735	444,651	277,890	249,440	243,840	1,520,556

Appendix C2 - Telephony Costs

Telephony & Data	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Costs						
1 Telephone swtich and call distribution	50,000	75,000	50,000	35,000	25,000	235,000
2 3rd party support and maintenance	15,000	15,000	15,000	15,000	15,000	75,000
3 Phone unit and headset	11,000	16,500	11,000	5,500	5,500	49,500
Sub-total core telephony	**76,000**	**106,500**	**76,000**	**55,500**	**45,500**	**359,500**
4 Voice recording option	-	91,410	12,800	12,800	12,800	129,810
5 Voice recording maintenance	-	17,403	17,403	17,403	17,403	69,612
Sub-total voice recording	**-**	**108,813**	**30,203**	**30,203**	**30,203**	**199,422**
						-
6 Corporate Featurenet option	-	90,000	65,000	65,000	65,000	285,000
Sub-total Featurenet	**-**	**90,000**	**65,000**	**65,000**	**65,000**	**285,000**
7 Ducting works - ICT	75,000	-	-	-	-	75,000
8 Ducting works - Highways	30,000					30,000
9 Fibre cable - 24 core	10,000	-	-	-	-	10,000
10 Structured cable switches at E. House	10,200	1,200	5,700	1,200	1,200	19,500
11 Structured wiring contingency - E.House	30,000	-	-	-	-	30,000
Sub-total ducting & wiring	**155,200**	**1,200**	**5,700**	**1,200**	**1,200**	**164,500**
						-
12 Citrix server hardware	17,086	17,086	17,086	17,086	17,086	85,429
13 Citrix terminals	6,941	10,412	6,941	3,471	3,471	31,236
14 PCs	18,000	27,000	18,000	27,000	36,000	126,000
15 Citrix XPE licence	4,600	6,900	4,600	4,600	-	20,700
16 Windows server licence	6,200	9,300	6,200	3,100	3,100	27,900
17 Windows standard CALS	260	390	260	130	130	1,170
18 Windows TSE CALS	700	1,050	700	350	350	3,150
19 Citrix support	6,800	6,800	6,800	6,800	6,800	34,000
20 Backup solution	18,323	1,200	1,200	1,200	1,200	23,123
Sub-total desktop solution	**78,910**	**80,138**	**61,787**	**63,737**	**68,137**	**352,708**
21 Technical training / phone - ICT	7,500	1,500	1,500	7,500	1,500	19,500
22 Training / phone - call centre supervisors	5,000	1,000	2,000	1,000	1,000	10,000
23 Training / phone - users	1,000	1,000	1,000	1,000	1,000	5,000
24 Project management costs	28,875	-	5,000	-	-	33,875
Sub-total other costs	**42,375**	**3,500**	**9,500**	**9,500**	**3,500**	**68,375**
Total costs	**310,110**	**386,651**	**238,690**	**215,640**	**210,040**	**1,361,130**
Income						-
8 Highways reinstatement contribution	30,000	-	-	-	-	30,000
9 Existing staffing costs	28,875	-	5,000	-	-	33,875
Total Income	**58,875**	**-**	**5,000**	**-**	**-**	**63,875**
Balance required						
Total costs	310,110	386,651	238,690	215,640	210,040	1,361,130
Total Income	58,875	-	5,000	-	-	63,875
Balance required	**251,235**	**386,651**	**233,690**	**215,640**	**210,040**	**1,297,255**

1	System priced on features ought @ cost of £2,500 per seat - assuming Yr1 = 20 seats, Yr 2 = 50, Yr 3 = 70, Yr 4 = 80, Yr 50 = 90
2	Nominal figure from worst known case to date
3	Based on £450 per phone unit + £100 per headset multiplied by no of additional staff each - ie 20 + 30 + 20 + 10 + 10
4	Voice recording strongly recommended but will wait until year 2
6	Corporate featurenet strongly recommended for business continuity but will wait until year 2
12	Based on original business case figure of £47,904. Divided by 3, multiplied by 7% to get lease costs
24	Based on ring fenced time of one Voice & Data Comms Officer

Appendix C3 - GAGS Programme Costs - Net

Great Access to Great Services Programme Board

Net GAGS costs as at the 12th August, 2003

INCOME

Income		2003/04	2004/05	2005/06	2006/07	2007/08	Total
	Strategic ICT budget b/fwd	383,880	-	-	-	-	383,880
	IEG grant (2002/03) b/fwd	200,000	-	-	-	-	200,000
	IEG grant (2003/04 and 2004/05)	200,000	200,000	-	-	-	400,000
	Strategic ICT budget	500,000	500,000	500,000	500,000	500,000	2,500,000
	Additional agreed funding	180,000	200,000	200,000	200,000	200,000	980,000
	Total funding available	**1,463,880**	**900,000**	**700,000**	**700,000**	**700,000**	**4,463,880**

Summary of total GAGS costs (Net)

		2003/04	2004/05	2005/06	2006/07	2007/08	Total
see below	Total recurrent expenditure	231,264	238,202	245,348	252,708	260,290	1,227,812
see below	Total commitments to date	328,878	48,343	52,279	99,075	60,863	589,438
see below	Total approved major projects	506,512	472,925	415,757	286,945	257,207	1,939,346
see below	Total known future requirements	592,700	531,482	361,123	447,731	302,221	2,235,257
	Total net costs	**1,659,354**	**1,290,952**	**1,074,507**	**1,086,459**	**880,581**	**5,991,853**

	Programme Balance	- 195,474	- 390,952	- 374,507	- 386,459	- 180,581	- 1,527,973
		overspend	overspend	overspend	overspend	overspend	overspend

PROJECT EXPENDITURE TO DATE

Recurrent Expenditure

		2003/04	2004/05	2005/06	2006/07	2007/08	Total
	Project Managers x3	90,064	92,766	95,549	98,415	101,368	478,162
	ICT in-fill	36,000	37,080	38,192	39,338	40,518	191,129
	Cryptocard maintenance	1,585	1,633	1,682	1,732	1,784	8,415
	LES line switch maintenance	1,350	1,391	1,432	1,475	1,519	7,167
	Firewall maintenance	13,905	14,322	14,752	15,194	15,650	73,824
	E-mail filtering	8,250	8,498	8,752	9,015	9,285	43,800
	Packet shaper maintenance	5,110	5,263	5,421	5,584	5,751	27,130
	Internet leased lines	32,400	33,372	34,373	35,404	36,466	172,016
	RAS security (Radius)	838	863	889	916	943	4,449
	Pick systems costs	13,132	13,526	13,932	14,350	14,780	69,720
	Outlook costs	28,630	29,489	30,374	31,285	32,223	152,001
	Total recurrent expenditure	**231,264**	**238,202**	**245,348**	**252,708**	**260,290**	**1,227,812**

Commitments to date

		2003/04	2004/05	2005/06	2006/07	2007/08	Total
	ICT infrastructure consultancy (Mar)	10,000	-	-	-	-	10,000
	Tourism DMS (Apr)	120,000	-	-	-	-	120,000
	Seaclose wiring (Apr)	30,000	-	-	-	-	30,000
	Front Office Services Manager (May)	40,000	41,200	42,436	43,709	45,020	212,365
	Call centre consultancy (May)	10,000	-	-	-	-	10,000
	DIP / EDM consultancy (May)	10,000	-	-	-	-	10,000
	Call centre contingency (May)	10,000	-	-	-	-	10,000
	Anti-virus / filtering solution (May)	98,878	7,143	9,843	55,366	15,843	187,073
	Total commitments to date	**328,878**	**48,343**	**52,279**	**99,075**	**60,863**	**589,438**

Approved major projects (net costs)

		2003/04	2004/05	2005/06	2006/07	2007/08	Total
	DIP plus core upgrade (July)	506,512	472,925	415,757	286,945	257,207	1,939,346
	Total approved major projects	**506,512**	**472,925**	**415,757**	**286,945**	**257,207**	**1,939,346**

Total Net Expenditure

		2003/04	2004/05	2005/06	2006/07	2007/08	Total
	Total recurrent expenditure	231,264	238,202	245,348	252,708	260,290	1,227,812
	Total commitments to date	328,878	48,343	52,279	99,075	60,863	589,438
	Total approved major projects	506,512	472,925	415,757	286,945	257,207	1,939,346
	Total net expenditure	**1,066,654**	**759,470**	**713,384**	**638,728**	**578,360**	**3,756,596**

CURRENT BALANCE

		2003/04	2004/05	2005/06	2006/07	2007/08	Total
	Total funding available	1,463,880	900,000	700,000	700,000	700,000	4,463,880
	Total net expenditure	1,066,654	759,470	713,384	638,728	578,360	3,756,596
	Current balance	**397,226**	**140,530**	- **13,384**	**61,272**	**121,640**	**707,284**
				overspend			

KNOWN FUTURE REQUIREMENTS (net)

		2003/04	2004/05	2005/06	2006/07	2007/08	Total
	Call centre premises (proposed July)	53,500	58,000	44,200	33,800	33,800	223,300
	Call centre telephony (proposed July)	251,235	386,651	233,690	215,640	210,040	1,297,256
	Land and property gazetteer (pr July)	180,431	52,429	48,831	90,757	23,979	396,427
	CRM hardware (proposed July)	107,534	34,402	34,402	107,534	34,402	318,274
	Total known future requirements	**592,700**	**531,482**	**361,123**	**447,731**	**302,221**	**2,235,257**

	Programme Balance	- 195,474	- 390,952	- 374,507	- 386,459	- 180,581	- 1,527,973
		overspend	overspend	overspend	overspend	overspend	overspend

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Appendix 3d - GAGS Programme Costs - Gross

Great Access to Great Services Programme Board

Gross GAGS costs as at the 12th August, 2003

INCOME

Income	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Strategic ICT budget b/fwd	383,880	-	-	-	-	383,880
IEG grant (2002/03) b/fwd	200,000	-	-	-	-	200,000
IEG grant (2003/04 and 2004/05)	200,000	200,000	-	-	-	400,000
Strategic ICT budget	500,000	500,000	500,000	500,000	500,000	2,500,000
Additional agreed funding	180,000	200,000	200,000	200,000	200,000	980,000
Total funding available	**1,463,880**	**900,000**	**700,000**	**700,000**	**700,000**	**4,463,880**

Summary of total GAGS costs (Gross)

		2003/04	2004/05	2005/06	2006/07	2007/08	Total
see below	Total recurrent expenditure	231,264	238,202	245,348	252,708	260,290	1,227,812
see below	Total commitments to date	328,878	48,343	52,279	99,075	60,863	589,438
see below	Total approved major projects	568,707	507,199	451,991	296,278	266,820	2,090,995
see below	Total known future requirements	839,262	659,045	495,262	550,986	402,815	2,947,370
	Total gross costs	**1,968,111**	**1,452,789**	**1,244,880**	**1,199,047**	**990,788**	**6,855,615**

Programme Balance	-	**504,231** -	**552,789** -	**544,880** -	**499,047** -	**290,788** -	**2,391,735**
		overspend	overspend	overspend	overspend	overspend	overspend

PROJECT EXPENDITURE TO DATE

Recurrent Expenditure

	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Project Managers x3	90,064	92,766	95,549	98,415	101,368	478,162
ICT in-fill	36,000	37,080	38,192	39,338	40,518	191,129
Cryptocard maintenance	1,585	1,633	1,682	1,732	1,784	8,415
LES line switch maintenance	1,350	1,391	1,432	1,475	1,519	7,167
Firewall maintenance	13,905	14,322	14,752	15,194	15,650	73,824
E-mail filtering	8,250	8,498	8,752	9,015	9,285	43,800
Packet shaper maintenance	5,110	5,263	5,421	5,584	5,751	27,130
Internet leased lines	32,400	33,372	34,373	35,404	36,466	172,016
RAS security (Radius)	838	863	889	916	943	4,449
Pick systems costs	13,132	13,526	13,932	14,350	14,780	69,720
Outlook costs	28,630	29,489	30,374	31,285	32,223	152,001
Total recurrent expenditure	**231,264**	**238,202**	**245,348**	**252,708**	**260,290**	**1,227,812**

Commitments to date

	2003/04	2004/05	2005/06	2006/07	2007/08	Total
ICT infrastructure consultancy (Mar)	10,000	-	-	-	-	10,000
Tourism DMS (Apr)	120,000	-	-	-	-	120,000
Seaclose wiring (Apr)	30,000	-	-	-	-	30,000
Front Office Services Manager (May)	40,000	41,200	42,436	43,709	45,020	212,365
Call centre consultancy (May)	10,000	-	-	-	-	10,000
DIP / EDM consultancy (May)	10,000	-	-	-	-	10,000
Call centre contingency (May)	10,000	-	-	-	-	10,000
Anti-virus / filtering solution (May)	98,878	7,143	9,843	55,366	15,843	187,073
Total commitments to date	**328,878**	**48,343**	**52,279**	**99,075**	**60,863**	**589,438**

Approved major projects gross costs)

	2003/04	2004/05	2005/06	2006/07	2007/08	Total
DIP plus core upgrade (July)	568,707	507,199	451,991	296,278	266,820	2,090,995
Total approved major projects	**568,707**	**507,199**	**451,991**	**296,278**	**266,820**	**2,090,995**

Total Gross Expenditure

	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Total recurrent expenditure	231,264	238,202	245,348	252,708	260,290	1,227,812
Total commitments to date	328,878	48,343	52,279	99,075	60,863	589,438
Total approved major projects	568,707	507,199	451,991	296,278	266,820	2,090,995
Total gross expenditure	**1,128,849**	**793,744**	**749,618**	**648,061**	**587,973**	**3,908,245**

CURRENT BALANCE

	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Total funding available	1,463,880	900,000	700,000	700,000	700,000	4,463,880
Total gross expenditure	1,128,849	793,744	749,618	648,061	587,973	3,908,245
Current balance	**335,031**	**106,256** -	**49,618**	**51,939**	**112,027**	**555,635**
			overspend			

KNOWN FUTURE REQUIREMENTS (gross)

	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Call centre premises (proposed July)	87,250	125,500	111,700	101,300	101,300	527,050
Call centre telephony (proposed July)	310,110	386,651	238,690	215,640	210,040	1,361,131
Land and property gazetteer (pr July)	224,199	105,010	102,764	115,400	49,136	596,509
CRM hardware (proposed July)	217,703	41,884	42,108	118,646	42,339	462,680
Total known future requirements	**839,262**	**659,045**	**495,262**	**550,986**	**402,815**	**2,947,370**

Programme Balance	-	**504,231** -	**552,789** -	**544,880** -	**499,047** -	**290,788** -	**2,391,735**
		overspend	overspend	overspend	overspend	overspend	overspend

REPORT AUTHOR'S CHECKLIST

	Place Y for yes and N for no in the box below
• Can the decision be taken under delegated powers by :	
• The relevant portfolio holder?	N
• An Officer?	N
• Has the decision appeared on the forward plan?	Y
• Has the relevant Select Committee had the opportunity to consider the issue?	Y
• Does the Director's Group need the opportunity to consider the report?	N
• Has the portfolio holder approved the report?	Y
• Has sufficient consultation taken place?	Y
• Is the consultation set out and evaluated in the report?	Y
• If the recommendation is not consistent with the outcome of consultation, are reasons given?	N/A
• Can an elected Member (or member of the public) with no previous knowledge of the report see sufficient background information (which can include reference to previous reports) to allow them to understand the issue?	Y
• Does the report identify what strategic or policy aim is achieved or contributed to by the decision?	Y
• Are all reasonable options identified and appraised?	Y
• Is there additional risk management information which needs to be set out?	N
• Has specialist advice been taken for the following:	
• Financial?	Y
• Legal?	Y
• Personnel?	Y
• Other?	Y
• Is the cost associated with the decision fully set out and the source of any funding identified?	Y
• Have the following been considered and explained (where necessary) in the report:	
• Human Rights issues?	N/A
• Crime and Disorder issues?	N/A
• Is risk management properly addressed?	Y
• Are all background papers listed and available?	Y
• Is the implementation date clearly identified?	Y
• If the report is confidential or exempt is the reason for the confidentiality or exemption clearly identified?	N/A
• Are there clear recommendations with reasons?	Y
• Are the report author and contact officer clearly identified?	Y