



**Corporate Policy and  
Resources Committee**

**Thursday, 23 July 2020**

**Subject: Customer Relationship Management System (CRM)**

Report by:

Director of Governance and ICT

Contact Officer:

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Purpose / Summary:

To request approval to spend further Capital Budget in support the delivery of the CRM system.

**RECOMMENDATION(S):**

- 1. To approve capital expenditure of £52k to support the design and implementation of the Customer Relationship Management System**
- 2. To approve £28k of the ICT Upgrade/Refresh Reserve to fund the revenue costs of a 1 year extension to the Firmstep Achieve system licence, maintenance and support contract.**

## IMPLICATIONS

**Legal:** None from this report

### **Financial : FIN/47/21**

The Council has a Capital Budget of £355k within the current year capital programme for the delivery of the capital elements of the Customer First Programme. £130k of which having been approved for spend for the acquisition and basic implementation of the CRM system in the report to CP&R Committee in December 2019.

This report clarified that the remaining budget would be required to meet the cost of service redesign and CRM system development in addition to omni-channel integration, AI, process Automation and Customer Feedback.

The proposal to approve capital expenditure of up to £52k will see the full implementation and development of the core CRM system.

Due to the delivery solution, a £28k revenue cost will be incurred for a 1 year extension to the current Firmstep Achieve system, this will be funded from the IT Upgrade/Refresh Reserve.

Ongoing savings (year 5 onwards) remain at circa £8k per annum reflecting savings on licencing, maintenance and support costs of existing systems.

A £2.5k cost of training will be met from the Corporate Training Budget.

The report details further the Project Budget at section 2.

**Staffing :** In-house staff will be formally trained in the crm to enable them to complement

### **Equality and Diversity including Human Rights :**

None from this report

**Data Protection Implications :** The system will meet all required standards

**Climate Related Risks and Opportunities:** None from this report

**Section 17 Crime and Disorder Considerations:** None from this report

**Health Implications:** None from this report

**Title and Location of any Background Papers used in the preparation of this report :**

None.

**Risk Assessment :**

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

**Yes**

**No**

**x**

**Key Decision:**

A matter which affects two or more wards, or has significant financial implications

**Yes**

**No**

**x**

## **1. Background**

- 1.1 The Corporate Policy and Resources Committee at its meeting on 9 December 2019 approved the procurement of a Customer Relationship Management (CRM) system, and the approval to spend £130,000 for professional service fees to support the design, configuration and implementation of the CRM system, from within the £355,000 Customer First Capital Budget (£280,000 funding reserved for CRM).
- 1.2 The approval request was based on estimates provided by the supplier and based on an average build for implementing a standard system. The report was clear in that further costs were likely for further development during the implementation stage.
- 1.3 As part of the G-cloud procurement arrangements, the first stage of the project has been to undertake a discovery phase, with the outcome being a Statement of Works which specified a more definitive statement of the actual professional days required to deliver the first phase.
- 1.4 During the requirements definition, it has become clear that the Authority's requirements are beyond that of a 'normal build', mostly in relation to the number of specific bespoke integrations to Council business applications, and the volume of portal related development including the online transactions. Therefore the original number of days estimated for the delivery of Phase 1 of the CRM implementation has been calculated at a higher level than originally anticipated and an estimated additional 88 consultancy days has been identified totalling a £95k cost.
- 1.5 The project team had planned to undertake a good proportion of the development themselves, to limit the professional service days required. However, it has now been identified that the skillsets required of in-house development staff particularly around the portal and online capabilities are more complex than original understood. As such, staff will be required to undertake training in particular coding languages. Two staff will be trained initially to provide sufficient resource and resilience for the Phase 1 development activities. In addition it is anticipated that the Authority will train further staff in future years to ensure resilience for the maintenance of the system once it is operational.
- 1.6 Due to the additional estimated consultancy days required to deliver and implement the system, the Authority has considered a number of options on how best to deliver the CRM system to maximise benefit and functionality received from the system, whilst keeping additional costs at a reasonable level.
- 1.7 The preferred option will allocate some additional professional service days for the more complex elements and increase the in-house development days for the remaining development work. However, by increasing the in-house development this will incur a delay to the project, as this work cannot be undertaken until the relevant training of in-house staff has been completed.

1.8 The effect of this option is as follows:

- An additional 21.5 days of professional service would need to be commissioned beyond that included within the original allocation, at a cost of £18,275.

This is a capital cost and taken from the CRM allocated budget.

- Due to the delay, the existing Forms package system (Firmstep Achieve) will need to be extended for a further year (the minimum period that the Supplier will accept) at a cost of £28,000.

This is a revenue costs which will be funded from the IT Upgrade/Refresh Reserve which includes £400k to support such costs (as approved in the 2019/20 Medium Term Financial Plan)

- Additional training costs will be required for two in-house staff to gain the required development skills at a cost of £2,500 will be met from the Corporate Training Budget.

1.9 The total cost of the proposed option is £48,775 with £28,000 of revenue and £20,775 of capital costs against the £95k for professional service delivery.

## **2. Project Budget**

2.1 The Capital element of the project has an approved budget of £355,000 which has now been reassessed and reflects the following;

2.2 Implementation and design of the core CRM system £182,000  
Development Management system solution £123,000  
Omni-channel, Artificial Intelligence, process automation and Customer Feedback £50,000

2.3 It is proposed that to ensure that the CRM project can be managed efficiently and effectively that capital expenditure of up to £52,000 be approved ensuring that if additional support is required due to either resourcing need or expertise this can be expedited in a timely manner. (This being the current balance of the revised implementation cost of £182,000.)

2.4 The project team and service representatives will determine the functionality of the CRM system for the delivery of the Planning System, but have the option to procure an alternative solution should this not be achievable

2.5 The budget of £50,000 is required for the Omni-channel (a seamless customer experience), Artificial Intelligence (ie Chat Bot) and Customer Feedback capability all of which are enhancements to the core CRM system.