

Integra Strategic Consultants Ltd

Contact Centre Research Project

For

Leicester Shire Economic Partnership

September 2008

Final Report

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Executive Summary

This report summarises the findings of the research project commissioned by LSEP which has been undertaken by Integra Strategic Consultants Ltd

The overall aim was to provide a practical and action oriented piece of work rather than an academic narrative. In the last decade contact centres have become major employers throughout the UK, with recent estimates valuing the industry at £20 billion. The accepted definition of what constitutes a contact centre comes from the then DTI in a 2004 report

“a contact centre will be said to exist where ten or more people work exclusively, or for the majority of their time in a structured telephony environment. The operation will usually use an ACD (automatic call distributor) and this is a characteristic of a contact centre”.

The methodology for the research has included analysis of databases, secondary research, face to face meetings with stakeholders and in depth interviews with employers.

Main Findings of Research

The research supports the view that the Contact Centre sector is a significant one for LSEP and its partners. 93 contact centres have been identified, operating across a very broad spectrum of activity. It is estimated that around 25-30% of the regional activity is located here and employs in the order of 12,000 people. Despite publicity about jobs that have been relocated overseas, the sector locally and nationally has grown steadily and in 2007 was forecast to carry on growing. However, the economic turbulence now being experienced will almost certainly have an impact on activity that is so sensitive to customer volumes, although the precise impact is difficult to predict. There are some real strengths in the energy sector with E-On and British Gas, in support of retail through Next Direct and Boden and in finance with Alliance and Leicester and Hastings Direct. There is also a small but growing public sector across a range of agencies such as local government, the police and the health service. The main locations are in the City Centre, linked to the East Midlands Airport and around J21 of the M1, but there is a considerable spread, illustrating that contact centres are an integral part of a wide range of industrial sectors.

Elsewhere within the region, whilst there have been major job losses announced in contact centre operations by Capital One and Experian, there have also been major local expansions by Egg and E-On.

The issues faced by Contact Centres within Leicester and Leicestershire mirror those experienced nationally. These major on recruitment and retention issues, but appear to be primarily driven by generic factors such as pay and perceived career prospects, rather than ones specific to Leicestershire.

There is a very wide range of public sector provision available to support training, including a new Skills Academy, but employers often find the spread of activity confusing. If the public sector offer can be better understood and packaged to meet the needs of employers, there is potential for the LSEP area to have a positive role to play to improve the operations of the sector. This will also enhance the reputation of the area as a successful location to do business in. Evidence elsewhere suggests this better packaging of the offer is a major factor in new investment decisions. Action could also include increasing the scale of the potential labour force by providing awareness and basic training to those without relevant experience. Even if the sector does not grow in terms of outlets and jobs, the large scale staff turnover means that the sector has the potential to provide a readily identifiable source of jobs for targeting worklessness initiatives. Pilots to assist in trying the application of new technology could also mean that the sector could be extended to work in isolated rural areas and in non traditional locations such as social housing estates through “homeshoring”.

Recommendations Summary

The following main proposals for action are suggested arising from the study

1. Promote the establishment of an Employer led Contact Centre Forum so that the sector has a collective means of articulating its needs and ensuring that public sector provision is appropriate and relevant. Consider supporting a promotional campaign to raise the profile and image of the sector and the opportunities it offers as an entry route into both the service sector in general and other roles in individual companies.

2. Develop a co-ordinated response across all agencies to supporting training and recruitment along the lines of the measures successfully implemented in the retail sector with the HighCross development.
3. Extend the reach of the Skills Academy model to expand the potential pool of applicants through more awareness and basic skills training and link this to worklessness initiatives.
4. Pilot approaches to illustrate the potential of home or community based working to both meet employer needs and widen the potential labour market to more isolated locations in rural areas and to groups such as those on incapacity benefits with mobility problems.
5. Use the database of Contact Centre activity to promote the area to new investment, taking advantage of the range of office accommodation now coming available and the cost effective operating environment.
6. Consider the potential for joint working through the emerging MAA to develop centres of expertise within the public and third sector

1. Introduction

This report sets out the findings of the research project on Contact Centres which Integra Strategic Consultants Ltd has delivered for LSEP and partners. There has been a long standing interest by LSEP in this topic with a report commissioned from ECOTEC in 2000 and work in 2006 from Tribal which explored labour market and training issues.

There were three broad strands to the commission

- Strategic assessment of the opportunities for developing a prosperous and sustainable contact centre sector
- Develop a comprehensive database of contact centres
- Recommendations about how partners should support the development of a strong and sustainable contact centre sector in the sub region.

The overall aim has been to provide a practical and action oriented piece of work rather than simply an academic narrative. Contact centres are a part of a very wide range of industries and as such are not strictly a sector in their own right but an activity embedded across many sectors. However, for simplicity they are referred to as a sector in the body of the report. There has been extensive consultation during the study. A Project Steering Group was established with representatives from the LSEP, Leicestershire County Council, Invest Leicestershire, Job Centre Plus, Learning and Skills Council, Leicester College, B2B, Connexions and Working Links. The same steering group is overseeing a parallel project to promote a Contact Centre Academy project. The LSEP Board also provided input to the project following discussion at their August 2008 Board meeting.

- Chapter 2 reviews the wider context impacting upon Contact Centres
- Chapter 3 examines the nature of Contact centres within the LSEP area
- Chapter 4 reviews the stakeholder's perspective
- Chapter 5 examines the issues affecting the further development of Contact Centres within the area
- Chapter 6 contains a SWOT analysis as a summary
- Chapter 7 sets out a series of recommendations
- A series of Appendices provide technical information of interest and further details on Case Studies on experience elsewhere

2. Contact Centres – Strategic Context

Introduction

In the last decade contact centres have become major employers throughout the UK, with recent estimates valuing the industry at £20 billion.¹ This section of the report looks at the current position of the sector at a national level, examining industry facts and figures and trends, as well as recent regional developments in the industry.

The most recent publicly available research into the Contact Centre industry at a national level was undertaken on behalf of the DTI in May 2004, 'The UK Contact Centre Industry: A Study'.² This study is also the basis for industry information used by the Customer Contact Association (CCA) Research Institute in their Industry Facts and Figures 2005.³

On a commercial basis industry reports are available from a number of sources including Mital and ContactBabel. ContactBabel's most recent report on the sector is 'UK Contact Centres in 2007: The State of the Industry (7th Edition)'. They have also undertaken a second sector report entitled 'The UK Contact Centre Operational Review (5th Edition 2007)'.⁴

What is a Contact Centre?

While many people think they know what a call/ contact centre is (and both terms are used interchangeably within the industry) the range of circumstances in which they occur and ways in which they operate is very varied. The DTI 2004 study provided a useful definition which has been used as the basis for the research in this report. It states:

"a contact centre will be said to exist where ten or more people work exclusively, or for the majority of their time in a structured telephony environment (which may also involve electronic means of customer management), including either inbound and outbound operations. The operation will usually use an ACD (automatic call distributor) and this is a characteristic of a contact centre".

¹ Source: ContactBabel's 'UK Contact Centres in 2007: The State of the Industry (7th Edition) - from hereon noted as 'ContactBabel's Industry report'

² From hereon noted as the DTI report. Available at www.berr.gov.uk/files/file32884.pdf .

³ <http://www.cca.org.uk/documents/Facts%20and%20Figures%202005.pdf>

⁴ 'The UK Contact Centre Operational Review (5th Edition 2007)' - from hereon noted as 'ContactBabel's Operational report'.

Contact Centre Facts and Figures⁵

At a national level there has been a year on year rise in both the number of agent positions and the number of contact centres since the 1990s. Figures 1 and 2, showing data from the 2004 DTI report, detail growth up until 2004 and then show projections after that date. These suggested that there would be a levelling out of growth in the number of contact centres, with the number of agents projected to rise more steadily between 2004 and 2007. This upwards projection has been proven by more recent research.

In 2004 the DTI report noted that the contact centre industry directly employed 790,000 people, with almost 500,000 agent positions. By 2007, the ContactBabel industry report estimated numbers employed at 960,000 UK workers, 3% of the country's working population, with 54,000 jobs created in the last year. They estimate that this will pass the one million mark by the end of the year and 1,150,000 by 2010, with a suggested value to the economy at that time of £30 billion. However, the present economic climate is likely to have an impact and some activities will be scaled back as customer demand falls.

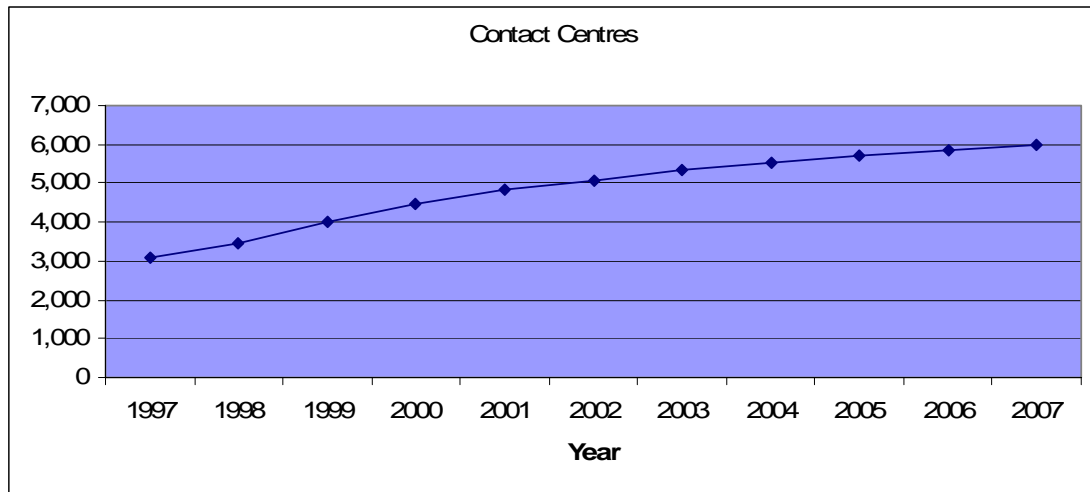
Figure 1 – Number of Agent Positions in UK Contact Centres



Source: Customer Contact Association Research Institute Industry Facts and Figures 2005 – data taken from DTI 2004 report

⁵ The Customer Contact Research Institute's Industry Facts and Figures 2005, which includes data from the 2004 DTI report is the starting point for information in this section. It should therefore be noted that trend lines show after 2004 are projections rather than actual figures.

Figure 2 – Number of UK Contact Centres



Source: Customer Contact Association Research Institute Industry Facts and Figures 2005 – data taken from DTI 2004 report.

The ContactBabel Industry research suggested that much of the future projected expansion will be within existing operations, and this fits with the DTI suggestions that the numbers of agents will increase at a greater rate than the number of contact centres. The 2007 report pre-dated the significant economic downturn that is now affecting the UK economy and it is inevitable that the then projected rate of growth will at least slow if not actually reverse in the short term. The unprecedented pressure on global financial markets as well as the severe pressure on energy prices will have an adverse impact across the economy. Contact Centres are a part of a broad range of industrial sectors and will be impacted upon by the pressures that the particular sector faces.

Industrial Breakdown

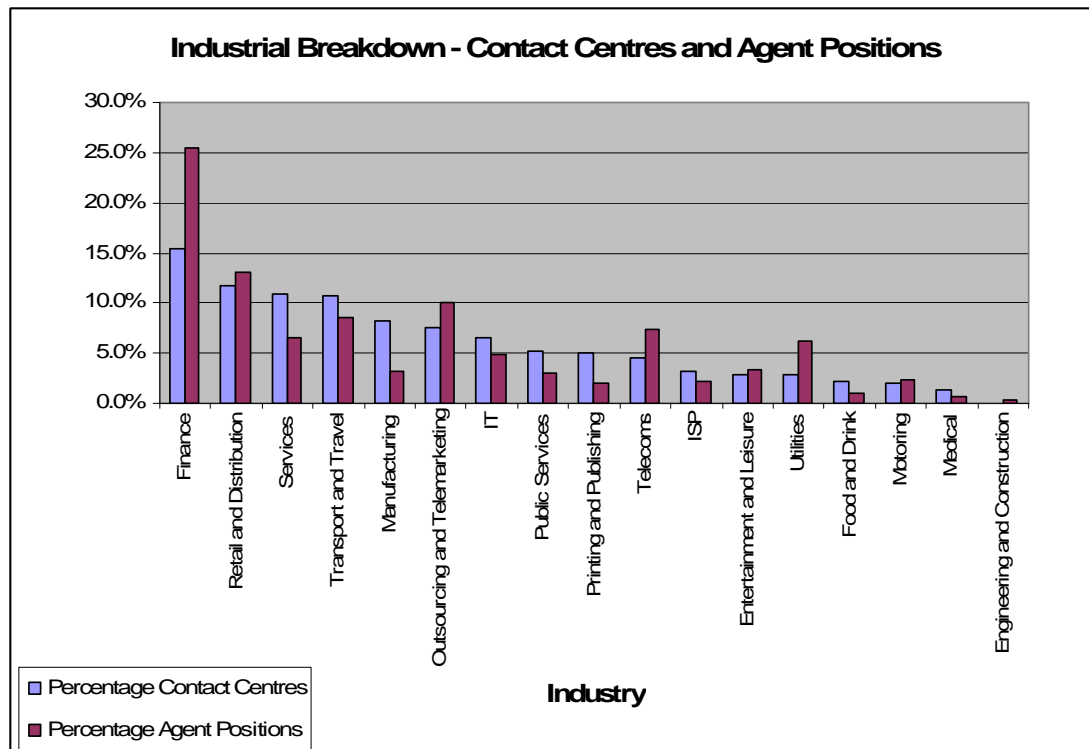
It is well recognised that there can be difficulties identifying Contact Centre activity because so much of it is embedded inside other types of business. The DTI report provides details of the make up of the UK Contact Centre Market by Industrial sector, as shown overleaf in Figures 3 and 4.

Figure 3 – Industrial Breakdown – Numbers of Contact Centres and Agent Positions in the UK in 2004

Industrial Sector	Contact Centres	Agent Positions
Finance	818	125,983
Retail and Distribution	621	64,816
Services	578	32,024
Transport and Travel	569	42,169
Manufacturing	437	15,948
Outsourcing and Telemarketing	398	49,244
IT	345	24,175
Public Services	274	14,620
Printing and Publishing	269	9,858
Telecoms	241	36,150
ISP	171	10,439
Entertainment and Leisure	157	16,266
Utilities	152	30,740
Food and Drink	110	4,897
Motoring	107	11,989
Medical	71	3,038
Engineering and Construction	-	1,898
Total	5,320	494,254

Source: DTI Report 2004

Figure 4 – Industrial Breakdown – Proportion of Contact Centres and Agent Positions in the UK in 2004



Source: DTI Report 2004

This data shows that the Finance sector not only has the largest number of contact centres but that it also has a very significant proportion of the workforce (25.5%). The fact that economic turbulence is presently focussed on this sector indicates that this component is likely to contract in the short term as banks restructure and economies of scale lead to closures in customer facing operations. Telecoms and Utilities have a seemingly small proportion of the number of contact centres, yet these centres hold noticeably larger numbers of agents. It is therefore clear that the number of contact centres is not by itself a suitable measure for determining the size of the industry.

By Geography

Holding information on the distribution of agent positions by size of contact centre helps clarify the focus for action to be taken by the public sector. Figure 5 shows that a significant majority of centres in the **East Midlands** region are relatively small, although the number of agent positions doesn't necessarily indicate actual company size. Therefore it is not always possible to see whether the contact centre makes up all or only a small proportion of the company's business.

Figure 5 also shows that the distribution of call centres by size band in the East Midlands is fairly consistent with the UK pattern. There are proportionally more in the 251-500 agents band but given the small numbers it is not possible to draw any conclusions from this.

Figure 5 – Contact Centres in the East Midlands by Number of Agent Positions

Number of Agent Positions	East Midlands Figures	East Midlands Distribution	UK Figures	UK Distribution
10--50	198	62.9%	3304	62.1%
51-100	45	14.3%	904	17.0%
101-150	13	4.1%	303	5.7%
151-200	9	2.9%	165	3.1%
201-250	11	3.5%	138	2.6%
251-500	30	9.5%	277	5.2%
501-1000	5	1.6%	170	3.2%
1000+	4	1.3%	59	1.1%
Total	315	100.0%	5320	100.0%

Source: DTI Report 2004

Within this context it is useful to recognise that half of UK businesses which have contact centre operations will have more than one site operation. It has been noted above that multimedia response is one of those processes which is more likely to be outsourced to organisations with the requisite technology and skills. These skills include IT skills and written communication.

Staff

In terms of the staff working in call centres, at managerial level there is a fairly even gender split, but a CCA/ Sheffield University study in 2002 found that, at that time, around 69% of customer contact employees were female. The DTI 2004 report confirmed this gender balance and additionally noted that the average age for employees is mid to late 20s.

Salaries

In terms of salaries the Customer Contact Association's information for 2004 notes that the average salary for a customer advisor was around £14,000 per annum. The ContactBabel Operational report provides more up to date information and suggests that by 2007 the average salary for a new agent was £14,056, with more experienced agents on salaries of around £16,006 and managers up to £34,394. However, there are some marked variations across regions. IT and telecoms agents tend to be the best paid with those in outsourcing receiving the lowest salaries.

Factors affecting the Future development of Contact Centres

Economic Change

After the last decade of stable growth, a highly volatile economic climate now exists. At the time of writing (September 2008) the global financial system faces unprecedented challenges, resulting in the major restructuring of financial institutions. It seems inevitable that pressures on borrowing will soon inhibit the activity of firms in both manufacturing and services with predictions of a likely recession and a rapid rise in unemployment. As stated above, the contact centre sector is in reality embedded in a wide range of other sectors and will grow or decline in relation to the overall ebb and flow of business.

Outsourcing

Outsourcing has become a hot topic with regard to contact centres in the last couple of years and it is one which causes a not inconsiderable amount of debate. In general it only accounts for a relatively small proportion of UK contact centre business, but is particularly used for market research/ customer survey activities and, to a much lesser extent, for purposes such as back office processes, multimedia response (inc. email and SMS) and out of hours services. The growing costs of state of the art technology and growing complexity of the services required has also impacted on levels of outsourcing, leading some companies to outsource rather than invest.

The debate about outsourcing often particularly relates to the outsourcing of jobs abroad, known as **Offshoring**, and causes of concern include the trend's impact on service to customers and on UK jobs, although jobs abroad doesn't necessarily mean jobs lost in the UK. Offshoring is generally assumed to save a large proportion of operating costs, with salaries in India, for example, significantly below UK levels. However, the DTI report identifies that the main compromising factor with offshoring is 'cultural fit', with customers having issues with speaking to agents who are

obviously abroad. In addition, those considering offshoring need to take into account the time and expense of setting up abroad, for example in travel and re-location costs of managers.

There is ongoing research into the trend of offshoring and in September 2005, the Office for National Statistics stated that offshoring call centre jobs had not stopped the sector growing at three times the rate of average UK growth. In fact Steve Morrell, principal analyst at ContactBabel has suggested that the amount of work going offshore is actually slowing. However, the present economic climate will place further pressure on cost reduction measures which could lead to further consideration of this option.

There is certainly evidence of some high profile companies such as Powergen (now E.on) returning operations to the UK. They created 1,000 jobs in Bedford, Bolton, Leicester and Essex in 2006 following a decision to pull out of India. This was followed by the creation of 150 more contact centre jobs in Nottingham in January 2007. The ContactBabel Operational review also suggests that not all businesses are pro-offshoring, with only 8% reporting that voice work was seen as fit for offshoring. There is also evidence that a far higher proportion of calls are dealt with successfully first time by UK call centres than when compared to Indian call centres.

However, it is job losses as a result of outsourcing abroad that have frequently hit the headlines in the last few years. The most recent local example being the announcement on 9th April 2008, by Capital One in Nottingham that 750 jobs are to be lost, at least in part as a result of operations being offshored. Similarly significant numbers of jobs in Derby were lost when BT moved its broadband services from outsource provider Client Logic to India in 2005. So great are the concerns of some that there is even now an Action Network campaign to stop the outsourcing of call centre activity <http://www.bbc.co.uk/dna/actionnetwork/G1805> . It is possible that the new economic turbulence could lead once again to a short term increase in further outsourcing as a way of reducing costs in uncertain times.

Homeworking

Homeworking is not yet significant within the UK contact centre industry, with only 3% of respondents to a survey undertaken by ContactBabel using any homeworking at all (and only 0.13% of employees). In the US, 22% of contact centres use some form of homeworking and 3.2% of agent jobs are now based at home.

Homeshoring is similar to homeworking, in that you have an employee working from home. In this case the employee acts as an integrated part of an organisation's contact centre strategy and, as far as a customer is concerned, their location is transparent. The concept of Homeshoring was born in the US. More and more, companies are moving customer service jobs out of call centres with high overheads and into what is possibly the place attracting the lowest overheads in the U.S.: workers' homes. JetBlue Airways is perhaps the most famous practitioner; all of its 1,400 reservation agents work from home. The concept is becoming increasingly popular in the UK as well. The Co-Op Travel Group's Future Travel subsidiary is one of the largest virtual contact centres in the UK. The AA has recently supplemented its breakdown response service with a series of virtual contact centres that are used to deal with peaks in demand.

Whilst these virtual call centres, manned by home-based agents, cannot compete on labour costs with overseas call centre operations, the reduction in property costs and telephony costs is now making this a competitive option. The concept is also suitable for those who would find commuting to work difficult, such as disabled workers, older people or lone parents. There are also environmental benefits from reduced commuting and energy costs, leading to a lower carbon footprint. It can be targeted for location in areas where there may be particular challenges such as social housing estates where there are limited sources of local employment and in more remote rural locations. Because of the potential significance, a Case Study has been included for reference in Appendix 4 which summarises the result of a pilot featuring Boots the Chemist in Nottingham. There are limitations to its application, not least to the extent to which there will be a match between the personal characteristics required and their prevalence in communities suffering multiple disadvantage - these include being motivated, flexible, confident, self disciplined and able to work with a minimum of supervision.

Outbound and Cold-Calling

The ContactBabel Industry report has shown that the level of cold-calling and telemarketing activity is continuing to decline, with outbound calling as a proportion of all calls dropping from 32.9% in 2005 to 29.1% in 2006/7. One of the factors behind this is the increasing use of the Telephone Preference Service, which lets people opt out of receiving telesales calls. Outbound calls still have a place however, for

example to let customers know about things such as approaching credit limits or delayed flights.

New Channels of Contact

The development of more channels to and from the customer requires a new and different type of support from contact centres. While at present contact methods such as email and text only make up a small proportion of customer contact this is set to increase, including through Internet Protocol (IP) and Voice Over Internet Protocol (VOIP). The ContactBabel Operational report suggests that IP infrastructure will be commonplace in most UK call centres in the next two years. Contact centres need to be prepared for the new multi-media interactions, although in complex interactions real time human contact will continue to be essential.

Public and Third Sector Developments

The public sector has been slower to accept the changes in customer response processes than the private sector. However, a large number of local Councils have moved to establish contact centres to provide faster and more efficient first response to customer enquiries over a much more prolonged period than was usual for Council offices. Some have moved to 24/7 operations whilst others have seen 12 hour opening. The Health Service and Emergency Services have also followed these developments and contact centres are an established part of service delivery.

Many of these changes are delivered in the context of continued in house provision, but there has also been an extension of partnerships with the private sector to provide a wide range of services with firms such as CAPITA and BT well to the fore. BT operates a small number of strategic partnerships with large Councils and these are often the magnet to base wider provision on. In Liverpool where there has been a 7 year partnerships with the City Council, there are now an additional 250 jobs serving a number of regional and national contracts for telephone based services. There are increasing pressures on local government to find efficiencies and the development of expertise in revenue collection and debt recovery could well lead to the establishment of regional centres of excellence in particular localities.

The Third Sector is being encouraged to address the traditional challenges arising from a lack of joined up working and many organisations are now committed to greater collaborative working. In order for organisations to strengthen their delivery, ensure their future, and work successfully with a variety of partners it is vital that they

have access to specialist infrastructure services and share common services where appropriate. Enquiry and information handling could well be a feature of future contact centre developments, particularly if linked to homeworking as described earlier.

Regional Developments

This section provides a more general overview of events in the industry in the region. The East Midlands has seen some significant Contact Centre related headlines during the early months of 2008 and it is useful to look at these within the wider context of industry change.

- One of the biggest Contact Centre stories to emerge in recent months was the announcement by **Capital One**, on 9th April 2008, that 750 jobs would be lost in **Nottingham**. This would leave 1,000 staff in the City, representing 1% of the regions' 70,000 financial and business workers. Although redundancies were expected, the size of the axe was a shock. Outsourcing was identified as part of the cause, as well as the national/ international credit crunch. Capital One customer contact services were already provided in India and Manila and they reported that they were looking to 'develop our relationship with third party call centre and technology providers'. Job losses were in operations and IT, with knock on effects in HR and Risk management.
- In April 2008 **E.on** announced it was creating 465 jobs at three of its sites in **Nottingham**. The jobs were mostly customer service roles and would be based at Phoenix Park, Sherwood Park and in Nottingham City Centre. E.on already employed 3,500 in the city. This decision was influenced by the fact that an additional unit came up for lease adjacent to their M1 Junction 26 facility. E.on also cited the advantageous labour pool in Nottingham, where there were many contact centres and therefore staff movement, and the provision of a good pool of academically qualified recruits from the Universities.
- **Client Logic** in **Derby**, who provided outsourced services to BT Broadband customers, announced a loss of 144 full time staff and 470 contract and agency workers in December 2005, when BT moved its operations to India.
- **Egg** is also a very significant employer in the customer contact sector in **Derby** and has grown in recent years. In December 2005, a point where Egg employed

1,700 people in Derby and 2,200 throughout the UK, 300 new employees were taken on. Egg encouraged workers laid off from **Client Logic** to apply for positions. In November 2007 Egg also announced a shift of up to 500 jobs to its headquarters in Derby from elsewhere, including some of the 350-450 workforce being cut at their Brierley Hill branch in the West Midlands. These jobs were being lost in technology and operations. In April 2008 Egg's Owner Citigroup announced 9,000 job cuts worldwide, although as yet there is no indication this will affect Egg.

- In January 2008 **Experian**, who employ more than 2,000 in the **Nottingham** area, announced that it was to move 200 jobs abroad. This was followed by more losses in March 2008 as part of a review of efficiency where they decided that some HR staff were no longer required. Experian had seen slow growth and share price falls by nearly half since last year. Cut backs were partly being blamed on the credit crunch.

3. Contact Centres in LSEP Area

Background

Previous research has already identified that contact centres employ significant numbers of people in the local economy⁶⁷. The initial report by ECOTEC was able to identify 13 and the more recent report from Tribal Group listed 23. These reports accepted that the concentration was on major employers and it was recognised that there were likely to be a greater number of smaller operations embedded within a number of companies.

As a basis for establishing the present scale and nature of Contact Centre activity in Leicester and Leicestershire a database was purchased from Contact Babel. This database is recognised as being the most comprehensive available and was used to underpin the 2004 national report commissioned by DTI. Nevertheless, it required substantial attention to clean and verify through a mixture of face to face contact, telephone interviews and electronic communication. It has also revealed the interesting fact that whilst a number of firms have operations that fall within the DTI definition, they do not recognise themselves as operating a contact centre, instead insisting that they have a “sales office” or “customer response team”. The number of people with contact centre experience is therefore probably much greater than estimated, and consequently the pool of experienced labour available to support its growth larger than previously thought. It also illustrates the blurred continuum that exists between contact centre activity and the broad range of customer facing activity that exists in both the service and manufacturing sectors.

The database was supplemented by further entries where omissions could be identified and through the knowledge of partners active with the sector. The research has identified 93 separate contact centre operations within the LSEP area. Many of these are brand leaders in their field with a high profile nationally. A full list is included in Appendix 1

Size

Figure 6 overleaf illustrates the size of contact centres within the LSEP area by the reported number of agent positions. This broadly reflects the regional and national

⁶ Call Centres in Leicestershire ; A Report to Leicester Shire Development Agency and Leicestershire TEC by ECOTEC 2000

⁷ Recruitment Research Report; Tribal Group November 2007

position as described earlier, but with a greater number of medium sized centres and a lesser number of the smallest category.

Figure 6; Contact Centres within the LSEP area by the reported number of agent positions

Number of Agent Positions	LSEP Figures
10 – 24	31
25-50	17
51-100	18
101-150	7
151-200	4
201-250	5
251-500	6
501-1000	1
1000+	4
Total	93

Activity

The industry is categorised by a large number of sectors and the breakdown of activity is illustrated in Figure 7 overleaf. This shows that there is a very broad spread of activity across the LSEP area, with the strongest presence in terms of the number of outlets being retail and distribution, followed by manufacturing and services. This diversity reflects the wider economy and means that there is a spread of risk should the economic downturn become more severe and also a broad base to build further activity upon. The manufacturing based centres tend to be much smaller in size with finance, transport and travel, retail and distribution and utilities accounting for the majority of the very large centres. The public sector is growing in local government, police and health service, but at the present consists of a low number of quite small operations.

Figure 7; Activity by Sector

Industrial Sector	Contact Centres
Finance	10
Retail and Distribution	17
Services	8
Transport and Travel	6
Manufacturing	13
Outsourcing and Telemarketing	5
IT	2
Public Services	5
Printing and Publishing	7
ISP	2
Entertainment and Leisure	2
Utilities	3
Food and Drink	3
Motoring	6
Medical	1
Engineering and Construction	3
Total	93

Geography

Contact centre activity is spread across the LSEP area but can be seen to be located in three broad groupings; the Leicester City centre area, an area in the north of the county, clustered around the East Midlands Airport and along a corridor based on the M69 running south and west from Leicester, taking in the various Business Parks and employment sites from Enderby to Hinckley. Whilst there is this element of geographical concentration and a sharing of local labour markets, the diversity of the

industry means they are generally operating in very different sectors, offering staff very different job experiences and opportunities. The location of the contact centres reflects the fact that they are often integrated with other operations and so exist where the business has located for other operational reasons. In other instances it is probably a reflection of the property market and the availability of suitable premises in the City Centre and on business parks.

This research has identified a much extended analysis of contact centre activity across a very wide range of industry sectors. The database categorises the number of agent positions within bands and it is therefore not possible to be clear about the precise number of jobs in the sector, but by using the mid point of the band size, an estimate of 12,000 jobs can be made. As a point of reference, the estimate for Birmingham is 250 contact centres, employing over 21,000 staff. Based upon the earlier regional analysis, it is estimated that the LSEP area will contain over 25 - 30% of the regional contact centres.

Labour Market

The Tribal Report in 2007 identified that the City of Leicester and County of Leicestershire have a supportive labour market that can serve the needs of contact centres.

- The most recent figures show that 66% of the working age population in the County are qualified to at least a level 2 and 51% of the City's resident working age population. This amounts to 358,700 people in the sub region.. A total of 259,000 people are qualified to at least level 3 in the sub region. The proportion of the working age population with level 2 and level 3 qualifications in the County's workforce compares favourably with national and regional figures. The City performs less well when compared to the national and regional percentages. Nevertheless there is a large labour pool in the City and County with level 2 and level 3 qualifications.
- Nearly 50,000 people are employed in personal services occupations in the City of Leicester and Leicestershire whilst a further 34,000 are employed in sales and customer service occupations.
- There is a pool of unemployed and economically inactive capable of being trained with the necessary skills
- Three Universities provide a pool of undergraduates to undertake seasonal, part time or casual work

Level 2 and 3 Skills in the Working Age Population

Highest Qualification Level	Leicester City Nos.	Leicester City %	Leics County Numbers	Leics County Numbers	East Midlands %	GB %
Level 2	95,800	51%	262,900	66.3%	62.6%	64.5%
Level 3	67,600	36.0%	191,400	48.3%	44.1%	46.4%

Source: ONS annual population survey, 2008, nomis

4. Local Stakeholder Perspectives

A number of interviews were undertaken with representatives from key stakeholder organisations in order to understand what their interests were in the sector and the support which they were able to offer. This is summarised below.

For local government and the **City and County Councils**, Contact Centres are a key sector, offering opportunities for the area and building on the assets of the local workforce – diversity and a range of languages.

Much of the inward investment function has now been transferred to Invest Leicestershire. **Invest Leicestershire's** services to assist businesses in Leicestershire include:

- Workforce – provide appropriate solutions to recruitment and retention challenges (e.g. Upskilling, identifying available labour and skills, and support in attracting staff to relocate to the area)
- Business Development – look at opportunities to add value to businesses by engaging local universities, industry bodies, government departments and other relevant partners
- Funding – help to identify potential sources of funding (including support grants and venture capital) to assist in business development
- Business Efficiency – aid development of exports (through introductions to partners who can supply relevant market information) and help improve manufacturing efficiency (through brokerage with relevant organizations)
- Property –undertake location & relocation property searches with their extensive database of properties; they can arrange site tours/visits and help with planning issues with local planning authorities
- Lobbying –lobby on behalf of companies with regard to planning issues, govt legislation, etc. or help to remove any barriers to growth

Invest Leicestershire focus on the larger companies and the top 200 companies. Engagement is via two inward investment managers and two investor developers, working very closely with emda.

Partners are working closely together to provide a co-ordinated investment support offer. An example of this is the High Cross Leicester initiative which sought to offer

pathways into work for those currently unemployed. This approach could be applied to Contact Centres in LSEP

Leicester now has quality office space available for inward investors - this was not the case in the past and the diversity of the workforce provides a positive global aspect.

The **LSC** interest in the sector arises from the desire to work with people removed from the labour market to provide pre-employment support and the skills to get into work, support to find work and continuing mentoring to sustain the job, with the opportunity then to move into further learning whilst in employment either through Train to Gain or Apprenticeship opportunities. They would like to extend the take up of Train to Gain and Apprenticeships and changes to the eligibility for both make them available to a broader group of people. Train to Gain, whilst originally offering a first full level 2 qualification is now able to provide support for second level 2 qualifications (where the first one is moribund), Level 3 qualifications and stand alone Skills for Life Qualifications. Apprenticeships are now available for the following age groups - 16-18, 19-24 and 25+. The funding support for 25+ is lower than for the younger age groups.

The LSC is currently providing funding to support this type of activity through a variety of sources which include ESF funding for Skills for Jobs activity, Employability Skills training, Neighbourhood Learning in Deprived communities, in addition to mainstream FE funding which is responsive to both employer and learner need. There are currently NVQs and full apprenticeships available to be funded through the LSC funding. If an employer requested this training the colleges would be responsive.

Partners in Leicester devised a Charter for Employment and Training to support the Highcross development. This charter outlined the commitments of the developer, the public sector partners and the obligations of employers. The LSC would like to replicate the idea of the charter into other sectors as it provides the mechanism by which local communities (and in particular those which are disadvantaged) access employment opportunities, but also to provide a package of services to meet recruitment and training needs.

Previous research has indicated that contact centres ought to be a key sector for Leicestershire given those already there and the benefits of its central location. The willingness to respond to employers' needs amongst the colleges would support this.

As part of **Connexions Leicester Shire** the Employer Services Team offers a free recruitment service and specialist advice about training and apprenticeships to companies interested in advertising their vacancies to young people (16-19). Connexions employ recruitment consultants who visit employers to look at their business needs and help source training providers in their specific sector. They also work very closely with the **Leicestershire Education Business Company** and are able to talk to employers about their initiatives aimed at developing and enhancing partnerships which make vital links between the workplace and local schools and colleges. Connexions currently do not target the call centre sector specifically, and do not have any plans to do so in the near future.

With a high student population in the city and Loughborough, call centre work is likely to prove a very popular way to boost their cash flow both during studies but also beyond. However, many will just treat it as a stop gap between studies and finding their desired career, so staff retention will be a problem. For young people leaving school at 16, many have little or no qualifications for various reasons and this can mean that call centre work isn't a realistic option for them as many employers ask for 5 GCSEs at grades A*-C as standard. An area of potential growth is generating more interest in apprenticeships offered in the sector. There is an Apprenticeship framework called the Contact Sector Apprenticeship.

One barrier to the sector is its poor image as portrayed in the media. There needs to be some work done to promote it as a career to young people whilst at school. This in part is the remit of the sector skills councils, but in reality it needs to be a partnership response across a very wide range of agencies. It also needs information, advice and guidance (IAG) professionals to understand the sector and potential career routes, which would include the Connexions personal advisors.

College Network

There are six FE Colleges serving the LSEP area providing a very wide range of training. These include a comprehensive local provision of skills qualifications – Customer Service NVQs at Levels 2, 3 and 4; Customer Service Apprenticeships, BTec, Business Administration.

The contact centre sector is recognised as a key one for Leicester and Leicestershire but challenging due to the high staff turnover. The colleges aim to persuade employers that by investing in their staff and training them, they will secure more loyalty and reduce turnover. The issue with the sector is that, in the main, it is perceived as offering jobs rather than careers with progression prospects. The colleges have run employer networks in the past but report that the same few companies tend to turn up each time.

Infrastructure barriers to meeting employer needs include:

- apprenticeships for over 19 year olds require employers to pay a fee
- employees who already hold a Level 2 qualification cannot access Train to Gain funding support (although since conducting the report this is likely to change)
- employees with higher level qualifications, but with no Level 2 in literacy / numeracy are unable to access TtG funding – key skills gaps for the Contact Centre sector
- the skills broker focus (and key target) is employer engagement rather than the follow through on training take up

One issue associated with call centre related NVQs is that colleges are now funded primarily on successful outcomes, which presents a challenge due to the high drop out rates in this area.

Colleges reported good support for an Academy – it could provide pre-employment training and enable recruits to have a better understanding of the sector, improve the image of the sector and would assist employers to recruit more effectively.

Leadership and management skills are becoming more and more important. There appears to be limited demand from employers for apprenticeships in this sector. One College reported requests for a Modern Apprenticeship involving

accounting but although they currently run an AAT Certificate in accounting at Level 2, there are insufficient numbers to run a Modern Apprenticeship course.

A key role for **JobCentre Plus** is to provide candidates for job vacancies through the Local Employment Partnership. The priority group for the activities they promote includes those receiving Incapacity Benefit, those unemployed for longer than 6 months, those with a disability and lone parents (i.e. those who need extra support to get back to work). The Partnership is delivered alongside the LSC and FE Colleges in particular and provides pre-employment training, a guaranteed job interview, travel expenses, childcare fees, and part time work trials to enable candidates to try out their suitability for a customer service role. JC+ advisers have recently carried out familiarisation visits to larger companies so that they are better able to promote vacancies to clients.

Issues reported from clients were:

- The negative image of the sector which can be perceived as having a “battery hen” working environment
- Very restrictive selection process
- Often no salary is provided within vacancy information as jobs tend to depend on reaching targets and so can vary significantly. The lack of salary information can put people off applying.

Key skill needs tend to be I.T. and communication skills but employers look more for personality and attitude (resilience) rather than qualifications – hence the intensive selection processes.

e-skills UK is the Sector Skills Council for IT, Telecoms and the lead body for Contact Centres with a responsibility for qualifications and standards frameworks. E-skills UK is the employer-led body recognised by government as responsible for articulating and addressing the skills needs of contact centre employers in the UK. The Sector Skills Council has not carried out any contact centre specific research for many years now so does not have any detail in terms of provision and demand.

E-skills generally advise that employers adopt an NVQ or apprenticeship framework to up-skill their workforce and encourage employees to stay in the industry. They also encourage employers to use the Career and Skills Framework (details in Appendix

2). The SSC view is that an employer's forum does work well but only if you can get the employers to attend – there are many good examples around the country to learn from and examples are included in Appendix 5 .

Skills Academy

Working Links have experience of developing an Academy model in Nottingham for companies such as E-On. In Leicestershire, they are acting in an advisory capacity to share this experience and apply it to Leicestershire. The focus is on individual firms with significant employment growth

The model:

- The key element of the process involves engaging the employer. This is done via the Working Links employer engagement team or referrals e.g. from the Jobcentre Plus Local Employment Partnerships scheme.
- The employer develops a customised training package with the college.
- Business2Business and partners advertise the job opportunities and recruit candidates. Candidates must be at a minimum job ready standard.
- Candidates undergo the training programme – typically 16 hours a week for 2 weeks.
- If they reach the required standard, candidates are offered a guaranteed interview with the employer.

Post employment training could continue via Train to Gain.

Business2Business

Business2Business offers a range of programmes including Skills for Jobs (through an LSC contract), Information Advice and Guidance for individuals, and help with CVs and job applications. It works with both employers and individuals, and has a city wide remit. The organisation can offer pre-employment training to match candidates to employer needs and can support individuals through progression routes.

A key link with employers is a service level agreement with JobCentre Plus to deliver the Local Employment Partnerships (LEPs) programme:

<http://www.jobcentreplus.gov.uk/JCP/Employers/lep/index.html>)

The organisation also has ongoing links with existing client companies, and holds job fairs in community settings.

The Working Links model could work well for the proposed Academy.

From the organisation's experience, there would appear to be significant local demand for jobs in the call centre industry with the principal access barriers being English language skills.

5. Issues Arising from Consultation with Contact Centre Sector

As the earlier reports have identified, this is a difficult sector to engage with. A number of firms declined to participate in the research either due to overall corporate policy precluding contacts with external companies or because the local personnel did not have the knowledge to answer on the breadth of issues being raised. However, through the formalised interviews, more ad hoc discussions, consultation with training organisations, recruitment agencies and other organisations that work closely with centres in the area, a clear picture of the key issues for the sector has emerged. In many senses, these repeat what is widely reported at national level – the key concerns being the ability to recruit the right people and then to hold on to them.

Economic Context

The wider economic climate was a clear issue of concern, but historically the sector has been able to adapt through recruitment freezes and more part time working. The LSEP area has a very broad spread of contact centre activity and is potentially at less risk than those that have developed niche markets in specific sectors. The takeover of Alliance and Leicester by Santander is one potential major change, the consequences of which are not yet clear. Local strengths also include retailing and leisure, both of which would be expected to be adversely affected by an economic downturn. As costs are squeezed, the relative importance of quality is also highlighted and there was confidence that the Leicester offer was a competitive one.

Recruitment

A very wide range of methods of recruitment practice were identified in firms contacted. Some of the larger operations handled this entirely in house although many are using external recruitment agencies – in one case up to five were retained. Advertising was viewed as expensive with limited returns and web based initial applications were often welcomed, with friends and family referrals increasingly being

used. Some of the larger and better known operations maintain a waiting list and call applicants from this when vacancies arise. Initial screening and a telephone interview is then followed by an assessment centre approach which can involve a combination of face-to-face interviews, telephone interviews and role play exercises. It is a feature of the industry that a large number of applicants are assessed and for some firms they can interview 15 people for each job offered. It is important for there to be sufficient people within the pool so that recruitment standards can be maintained.

There is usually no specific qualifications required but the skills profile sought is often for people with–

- Good telephone manner
- Customer service skills - mostly people skills and empathy with the caller
- Problem solving skills
- Willingness to accept responsibility

Qualities rather than qualifications was repeated on a number of occasions.

However, the industry contains a wide range of industrial sectors as outlined in Chapter 3 and higher level skills may be required at level 3.

In addition, for firms dealing with finance, attributes needed would include

- Good data entry speed
- CRB and credit reference clearance

All this reflects the national research by ContactBabel. Verbal communication and interpersonal skills are rated by employers as by far the most important abilities for contact centre staff but, perhaps surprisingly, are also often noted as significantly lacking. 23% of survey respondents in the ContactBabel Operational research noted that they faced a major skills gap in speaking and listening skills! While employers are often happy to teach staff 'hard' skills such as IT and product training, they cannot do the same with the 'soft' skills. The research also showed that the most often cited gap is lack of experience at team leader/ junior manager level.

Whilst there was considerable interest in the Skills Academy approach, many viewed it with caution. The larger firms were mostly satisfied with their own efforts in recruiting staff at the pace needed to keep up with replacement demand. For these, the majority come from word of mouth, friends and family, and by reputation. They screen, and train their own and could not see a clear need for public intervention. However, it is the smaller operation where help was most welcome but the model is

geared towards customised rather than generic training. This could possibly be reviewed as the practice develops and take up assessed.

Attrition

The rate of loss of staff is a key feature of the industry and a reflection on what can be the repetitive nature of the work in a pressurised environment. Some types of contact centre are accepted as being particularly susceptible to high attrition rates with staff leaving and these include centres with a high proportion of outbound sales, those based in City Centres, those with lower pay and those with a high intensity of calls. Such contact centres are also those with the highest risk of being offshored.

Pay differentials are often marginal and there is a tendency to move from firm to firm at frequent intervals, as a change of scene, if not type of work. Attrition rates were reported as being between 25% and 40% in some of the larger private sector operations, but overall appeared to be in line with the national average of 21%. It is an accepted fact within the sector that the more unpopular shift patterns are where the attrition rate is highest and these are often occupied by people with short term aspirations such as students or other part time workers. Some had adapted operating hours to be more employee friendly and introduced premium rates of pay for unpopular shifts. Recruitment had also been sharpened to make it clearer what was expected in the job. Many leading firms are also placing more emphasis on progression and accept that career development potential needs to be publicised if recruitment activity is to continue to improve.

In the public sector where staff employees are on broader based pay scales and perceived more attractive pensions, then attrition is not an issue. The age profile is from 18-50 with a gender mix, contrasting with the private sector. In the private sector, there is a tendency to seek a younger applicant in mid to late twenties as a preferred candidate. They are perceived to be more responsive to changes in technology and to be better at problem solving.

Attrition is significant because ultimately it is a cost on the business. It is estimated that replacing each person leaving in a none sales role can cost the business between £2,500 and £4,300⁸ in recruitment, training and time taken to be fully effective. In a sales role this jumps to over £20,000. The annual industry cost of

⁸ Peter Murley, Coalesce Consulting Ltd Presentation to Locate in Birmingham 2008

dealing with attrition is estimated at £1.5 Billion. If LSEP and partners can contribute to assisting firms in reducing the attrition rate, by developing a wider pool of talent and generating people with the right aptitude and work qualities, this will help to establish the reputation of the area as a successful one to do business in.

Hays⁹ conducted a major national survey of 10,000 candidates and 15,000 operators in the Contact Centre workforce in 2006. The average employee was aged 33.6 and had been in the job for 2.42 years. Over 50% were happy with their job, but this was highest where they had worked for 2 years or less. 89% of moves were attributed to career development and seeking a new challenge as opposed to 40% who were seeking more money. The overall benefits package was significant with the amount of paid holidays, flexible working, and performance related pay all influential. 45% reported they would stay 2 or more years if these were addressed. Overall work life balance was much more significant than pay.

Training

Induction training is critical in all contact centres and this varies based on what the agents are required to do. There is a strong preference for in house training in the belief that they know best what the business needs.

The local preference appears to be for well motivated staff with the right basic skills who would then be trained to meet the specific job requirements of the operator. There was often confusion as to who to approach in the public sector, with different agencies providing an overlapping service. There was a recognition that as in many other sectors, the skills needed to do the job and the achievement of a qualification were not always the same. Few had a detailed awareness of what Train to Gain or Apprenticeships could offer, although they were willing to consider any initiative that would address challenges in recruitment and retention. Publicly funded schemes were viewed with some caution as there was a perception that there is a tendency to be short term in nature and based on the needs of funders rather than that of the business. This produced complications in matching jobs on offer to potential recruits.

⁹ Hays Recruitment and Consulting, Salary and Benefits Survey 2006

Salaries

It is hard to generalise given the spread of activity, but Hays report that salary levels for operatives are generally lower than the national average and slightly lower than Birmingham

Service with sales - £12.5/14.5k as opposed to £13 – 16k

Service only – £12.5k as opposed to £13 -14k

Team Leader - £22k as opposed to £24k

Management salaries were on a par with the national average.

Access Issues

A number of access issues can also impact upon success in recruiting and retaining staff. Public transport can be important but often centres are not located on bus routes or if they are, shift patterns do not have a good fit with service times. Car parking was therefore a critical factor, particularly for women in out of centre operations but often provision was limited by planning requirements and seen as inadequate. Local Councils could be more understanding of these operational needs.

Home working

This was being considered by some operators but the investment required was felt to be not yet warranted. In one instance there were doubts about the reliability of the technology and it was viewed as being of too high risk and in another, it was being explored to assess improvements to meeting seasonal demand

Public and Third Sector

There is a small but growing public sector across a range of agencies such as local government, the police and the health service now operating contact centres. This is likely to grow significantly in future years and be of increasing relative importance.

There is the potential to develop centres of expertise that could offer services to other parts of the region and also nationally and it is possible that the Multi Area Agreement MAA could explore this further. The Third Sector is undergoing considerable change, including the enhancement of capacity through the development of shared resources and this represents another potential future opportunity.

Collective Employer Engagement

There was recognition that there might be merit in some form of collective engagement but a mixture of scepticism that it would be beneficial. Many doubted that public intervention could help them - all were busy and wary of “talking shops”. A number were members of national associations and used these for best practice and benchmarking. On balance, there was interest in considering being involved in a LSEP wide forum addressing their needs, provided it had clear benefits and was employer driven.

Perception of Leicester and Leicestershire

The factors impacting on recruitment within any locality were reported as being:

1. the market competitors,
2. the location of the office,
3. transport,
4. and the shift patterns/salary that they are offering.

Where representatives interviewed had experience of other locations they were asked to compare Leicester and Leicestershire to those. The overall view of the sub region was very positive with Leicester seen to have a very broad spread of contact centre activity with some market leaders associated with the area. In addition it has two large centres of employment in the City and County Councils as well as three large and well-regarded Universities supplying a range of graduate talent and also part time workers.

However, within the East Midlands, Nottingham was considered to be a more attractive location, by those interviewed, due to the even greater size of the labour pool and the perception that it was of a higher quality. New firms would be more prepared to consider it as a location as long as they felt confident that they could compete on salaries packages with established large businesses as they would be confident that the labour pool was large enough to accommodate their needs.

Recruitment and training agencies commented that there was a greater issue in Leicester in getting applicants who were CRB screened and with a clear credit check than in comparable locations. Partly influenced by this, conversion rates for applicants to those offered a job are higher in Leicester than elsewhere.

6. SWOT Analysis

Overleaf is a summary of the issues raised set out in a SWOT table.

SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Well established sector across a very broad range of activities • A number of significant players with national recognition • Wide range of smaller operations with potential for growth • Recognition with a number of public sector organisations that the sector is a key one for the present and future of the local economy • Effective employer engagement mechanisms in place • Well developed range of qualifications on offer • Skills Academy model being developed to be capable of responding to employers demand where needed • Diversity of local population with good links to international growth markets • 3 Universities with large pool of graduate supply and part time workers 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Lack of basic skills and weaknesses in English language a barrier to participation in the sector • Patchy employer demand for qualifications • Image of sector can be unattractive • Perceived lack of career progression opportunities inhibits retention • High rates of attrition and churn, but not noticeably worse than comparable centres • CRB and Credit checks not passed by number of potential recruits • High ratio of interview to offer of job • Lack of cohesive voice from the sector and caution on the role that public sector can play with fear that support is hard to access and often transitory in nature • Employer engagement not as coherent as could be
<p>Opportunities</p> <ul style="list-style-type: none"> • Call Centre Forum could establish clear agenda for needs of the sector to be identified and met • Measures to extend the workforce through awareness raising, confidence in basic technology and pre-recruitment training could improve the number of people with potential to enter sector • Homeshoring could meet needs of business and also widen range of people accessing employment • Proactive approach to training support on offer to meet employer needs • Establish reputation as place to invest due to quality of support environment • Encourage existing employers to expand • Promotional campaign to raise profile and career opportunities • Good range of office accommodation now available and will underpin campaign to attract inward investment to a lower cost environment 	<p>Threats</p> <ul style="list-style-type: none"> • Economic downturn and potential recession • Outsourcing • Growth of direct internet based services could limit demand for contact centre operations • Credit crunch specifically affects growth in financial and services sector • Takeovers and consolidation impact on local job prospects • Rises in energy prices affects customer demand and impacts on local jobs in that sector • Employers fail to collectively engage to shape nature of public sector support • Other areas perceived as being more attractive for firms to invest in

7. Recommendations

One of the principal elements of this research was to identify how partners should support the development of a strong and sustainable contact centre sector in the sub region. From the analysis undertaken, the sub region already supports a strong sector. Many of the issues identified reflect the challenges the sector faces in all locations. In order to maintain and enhance the sector's growth, the recommendations for future action focus on ways in which partners can improve the talent pool available; make the support available easier to access and promote the attractions of working in the sector more fully.

Working with employers

- Promote the establishment of an Employer led Contact Centre Forum so that the sector has a collective means of articulating its needs and ensuring that public sector provision is appropriate and relevant. This could also help benchmark local practice with that of other areas, share experiences where none commercially sensitive and explore emerging issues such as home working.

As noted in the report, the sector is a difficult one to establish contact with and many firms have a policy of not responding to research. The Forum would provide a potential platform for widespread engagement, particularly if it were supported by leading local players and enable the public sector to consult upon how support can be tailored to meet their needs more effectively. The report has reviewed some of the experiences of Contact Centre Forums operating elsewhere. The key characteristics of success are that they are led by employers who are able to shape the agenda to address topics of concern, but with some public sector input on coordination and secretariat. There is some doubt in both the sector itself and those providing support as to whether such an initiative would be a success. The views of the Companies themselves would be paramount but could be approached as a time limited exercise rather than a long term commitment and only extended if there is evident demand. Support for an initial secretarial resource and a budget for venue hire, refreshments and speaker expenses could be part of a start up package that partners could offer.

- Support a promotional campaign to raise the profile and image of the sector and the opportunities it offers as an entry route into both the service sector in general and other roles in individual companies

Many stakeholders commented on the negative image that the sector has to prospective employees who hold a perception of “battery hen” working conditions and pressured environment. Any campaign to raise the profile of the sector needs to be honest and realistic and would also require the active support of companies. It could include examples of the career progression routes that can follow after experience as a contact centre operator and the transferable skills that can be applied across the service sector. Material such as this could be used to promote it as a career to young people whilst at school. It also needs information, advice and guidance (IAG) professionals and Connexions personal advisors to understand the sector’s opportunities and potential career routes.

Improving the effectiveness of public sector support

- Develop a co-ordinated response across all agencies to supporting training and recruitment along the lines of the measures successfully implemented in the retail sector with the High Cross development.

Partners in Leicester devised a Charter for Employment and Training to support the High Cross development. This charter outlined the commitments of the developer, the public sector partners and the obligations of employers. Partners would like to replicate the idea of the charter into other sectors as it provides the mechanism by which local communities and in particular those which are disadvantaged, can access employment opportunities. It also provides a package of services to meet recruitment and training needs –this would clarify what individual agencies can provide and in what circumstances and communicate this effectively to unlock the potential of existing programmes such as Train to Gain and Apprenticeships.

- Extend the reach of the Skills Academy model to expand the potential pool of applicants through more awareness and basic skills training and link this to worklessness initiatives.

The Skills Academy model works by developing customised training packages to meet employer’s needs for significant growth and delivering this in partnership with Colleges. The talent pool available could be broadened by finding ways to attract new recruits and provide them with basic Contact Centre skills. The time and cost spent on recruitment and high attrition rates mean that the key attraction for the sector would be a process which is able to engage a larger/broader cohort, funnel them through a training and pre-recruitment process, and deliver

entrants who are less likely to end up as part of the churn. There must be many people who would be successful who may not have considered the sector, either because of a previous career in manufacturing for example, or due to the sector's negative image. Customer care qualifications (the listening and speaking skills) are in demand in a wide range of sectors and would offer individuals emerging from the academy other possible career routes even if they weren't recruited by a call centre. As well as being more open to potential students, they should also have a broad approach to outcomes – and some good referral mechanisms into other employment routes.

Developing the sector

- Pilot technology-led approaches to illustrate the potential of home or community based working to both meet employer needs and widen the potential labour market to more isolated locations in rural areas and to groups such as those on incapacity benefits with mobility problems.

The report has reviewed in some detail the issues that relate to homeworking and the concept of Homeshoring. This model can be beneficial to meeting the needs of employers and also address a number of wider public social objectives. It may also be a way in which companies facing cost reduction pressures could continue to operate locally as opposed to considering offshoring or outsourcing. Partners could consider supporting pilots to help mitigate risks but also deliver benefits in specific communities. However, there needs to be realism as to the extent to which activities are capable of being delivered from home and also the characteristics of successful operators. These include being motivated, flexible, confident, self disciplined and able to work with a minimum of supervision.

- Use the database of Contact Centre activity to promote the area to new investment, taking advantage of the range of office accommodation now coming available and the cost effective operating environment.

These are uncertain times as cumulative pressures have contributed to an economic slowdown which will impact upon a range of industries. One way in which the private and public sectors can respond to the need to reduce costs is to move operations to lower cost locations. Leicester and Leicestershire now has an attractive range of quality floorspace available and the Contact Centre market would be a useful one to focus on. There is local evidence in Derby that even in a

re-structure where the size of the operation in the UK shrinks, local economies that have a good reputation can attract new investment as part of this process.

- Consider the potential for joint working through the emerging MAA to develop centres of expertise within the public and third sector.

Partners in Leicester and Leicestershire have committed to work towards a Multi Area Agreement (MAA). These include powerful public and third sector operators. It is possible that increased collaboration could lead to the identification of areas of expertise that could not only deliver services locally, but be used as a nucleus to build provision to others within the region and nationally.

Companies with Call Centre

Abel Alarms
Access Plus
Alamo and National Car Rental Company UK Ltd
Alliance & Leicester

Antalis Ltd
Aon Ltd
Aptus Personnel
Arden Direct Marketing

Ashbourne Pharmaceuticals Ltd

AXA PP
Beam Global
Belfor UK Ltd
Bestobell Products
BMI Ltd
British Gas
BTI Hogg Robinson
Bunzl Lockhart Catering Equipment
Charnwood Borough Council
Checkprint Ltd
Communis
Croner Consulting Ltd
DCE Donaldson Ltd
Dendrite
DHL Express
DHL International UK Ltd
Elson & Robbins Wade Spring
English Churches
EON

Europcar UK Ltd
Expedia.co.uk

Fastant (Taylor Bloxham Ltd)
Findel Education
First Assist Group Ltd
Fisher Scientific
Ford & Slater DAF Ltd
GE Sensing

Hallmark Consumer Services Ltd
Harry Dalby Engineering Ltd
Hastings Direct
Health & Diet Food Company
HSBC
Ibstock Brick Ltd
Internet UK

Appendix 1

Jessops

JP Boden & CO
Lands End Direct Merchants
Leicester City Council
Leicester City Football Club Plc
Leicester Mercury Group Ltd.
Leicestershire County Council

Loughborough Echo

Lynx Express
Marketing Innovation Ltd
MasterFoods
Meggitt Polyton
Mettler Toledo Ltd
MRM Promotional Services Ltd
National Car Rental
National Grid PLC
NatWest Bank Plc

Next Plc
Otis Ltd
Page & Moy Holidays
Page & Moy Ltd
Parry Group Ltd

Peoples Choice
Pipemedia Ltd
Plumbing Trade Supplies

Premier First
Qualvis Packaging Ltd

Quinton Hazell

Quorn Business Travel
RBOS
Rr Donnelley
Rutland County Council

Safehouse UK(CET Group Ltd)
Selective Market Place Ltd
Seme Nedis Ltd
Staples
Tangible Results
The BSS Group Plc
The BSS Group Plc
The BSS Group Plc
TNT International Ltd
TNT UK Limited

Toolmex Polmach Ltd
Toolmex Polmach Ltd
Tower Publishing Services Ltd
Travelsphere Holidays Ltd
Trelleborg Industrial AVS
Viking Direct Limited
Warren Board Sales Ltd

Wolsey Ltd

Data supplied by ContactBabel based on March 2008 survey and supplemented by Integra Strategic Consultants Ltd field work.

NB This provides a list of all those operations which meet the national definition of what is a contact centre. Some of the firms identified here do not recognise that they have a contact centre, but instead have sales offices, customer response teams etc

Appendix 2

E-Skills UK Career and Skills Framework

In 2003 e-skills UK which is the Sector Skills Council for the industry, in partnership with Accenture, brought together a wide variety of employers, industry experts, professional bodies and government agencies in order to develop the Contact Centre Career and Skills Framework.

The Framework was reviewed, tested and validated by over 50 employers and stakeholders. Feedback was captured via a series of one-to-one interviews and regional workshops. Two employer skills assessment studies, involving over 400 contact centre professionals, were conducted during the development of the Framework.

The Framework identifies a comprehensive set of contact centre competencies linked to role and career routes of a contact centre professional. It highlights the competencies required to deliver exceptional customer service, acquire and retain customers, and manage effective contact centre operations.

The Framework offers practical support to contact centre employers in developing the multi-skilled, technology literate contact centre professional of the future. The intention is to help employers build a talented and professional contact centre workforce able to add value to each customer interaction across multiple channels and products.

The Framework has been developed to help the sector make a step change in the management and development of skills, and is designed to:

- Provide employers, stakeholders and government with a simple mechanism for understanding the complex competencies required within contact centres
- Provide a frame of reference for employers and individuals to identify the competencies needed at each career level and thus drive the selection of relevant training programmes
- Help educators develop training curriculum in line with employer need
- Help government and stakeholders direct strategic investment and funding in the development of competencies to meet the real needs of the sector

The Framework identifies the front office competencies required to support business activities in a contact centre environment within a simple-to-use model based on three core concepts: roles, competences and levels of ability.

Eleven broad roles are identified within the Framework, ranging from new entrant to Contact Centre Manager. Detailed role profiles have been created which highlight the specific competencies and levels of ability typically required to perform each role.

The individual competencies are grouped into key clusters: customer acquisition, customer service provision, operations management, technology skills, business skills and personal aptitudes.

People are required to exercise competencies at different levels depending on their role and responsibility. In the Framework four levels of ability have been defined for each competency. Each level of ability identifies the activities that an individual should demonstrate; the levels of ability are additive, each one building on the other. For example, if an employee is expected to perform at level two, they should already be demonstrating that they have the ability to perform related level one activities.

Employers are likely to use the Framework in several ways, for example:

- To measure the competencies employees have against those required, and thus identify competency gaps
- To develop training programmes mapped to national and government sponsored learning and development pathways
- To identify a range of career development pathways within their contact centres
- To provide a set of competency-based job profiles to support effective recruitment and selection
- To support competency-based performance management and appraisal processes

The Framework is intended to be a flexible model that each employer can mould and adapt to meet the needs of their business, whether that is in using the Framework to complement an existing competency model or in using it as a baseline when developing a new competency model. In either case, employers will want to tailor the Framework to add or remove competencies required by their unique business environment.

Learn Direct Call Centre Specification

Learn Direct have information regarding the work of a call centre operator, likely salary, hours and conditions, skill requirements, etc. for potential recruits:

What is the work like?

Call centre operators, also known as contact centre operators answer enquiries from customers by telephone, email, text messaging, fax and post.

Your exact duties as a call centre operator would depend on what type of employer you have. You could work for:

- mail-order companies – dealing with customer orders, credit and debit card payments, enquiries and complaints
- financial institutions – advising about products and services, working in telesales to generate leads and conducting market research
- IT helplines – providing first-line support to callers to try and help them fix computer problems
- advisory services – offering callers services such as counselling, welfare and benefits advice, legal information or help with careers.

Although the nature of the work could vary, a lot of it is likely to involve accessing and updating customers' records on computer databases.

With experience, you may have extra duties, such as mentoring new staff, training, call monitoring and quality control.

What salary and other benefits can I expect?

- New call centre operators start between £11,000 and £14,000 a year.
- Salaries for experienced staff are between £14,000 and £17,000 a year.
- With supervisory responsibilities, this could rise to between £18,000 and £22,000.

Bonuses and commission payments may increase earnings. *Figures are intended as a guideline only.*

What are the hours and working conditions?

You would often have a choice of full- or part-time hours, with more and more companies offering flexible working patterns, sometimes on a shift system. Full-time jobs are normally 35 to 40 hours a week.

You would spend much of your working day at a computer, wearing a telephone headset, which would leave your hands free to input information and recall customer records.

In some call centres, you may not have a permanent desk but would take the first available one when you start your shift (known as hot-desking).

What skills and knowledge will I need?

- excellent customer care skills
- a clear and friendly telephone voice
- good computer skills
- excellent communication skills
- the ability to work on your own or as part of a team
- the ability to work quickly and under pressure
- the ability to deal efficiently and professionally with all types of customers.

You would find foreign language skills useful for some jobs, depending on the business.

What qualifications and experience will employers look for?

You do not need any formal qualifications to work as a call centre operator, although some employers may prefer to see some GCSEs like English and maths. Employers usually look for people with personal qualities like confidence and a good telephone manner.

If you are successful in getting a job interview, it will usually include practical telephone and keyboard tests.

You may be able to get into this job through an Apprenticeship scheme. The range of Apprenticeships available in your area will depend on the local jobs market and the types of skills employers need from their workers. For more information on Apprenticeships, visit www.apprenticeships.org.uk.

Many colleges offer introductory courses in call centre techniques and although not essential, these may give you an advantage when looking for work. Courses include:

- City & Guilds Certificate in Contact Centre Skills (4422)
- BTEC Awards – Introduction to Contact Centres.

These courses are general in nature but if the job requires more specialised knowledge, then you would need a relevant award for that area. For example, a counselling qualification is usually preferred for working on a counselling helpline. Similarly, you may need a computer maintenance qualification to work for an IT support helpline.

What opportunities are there?

Opportunities for work as a call centre operator are excellent, as there are currently around 10,500 call centres in the UK, employing over 800,000 people. This number is rising due to the rapid growth of telecommunications technology. You can find vacancies in the local press, in job centres and through recruitment agencies.

With experience and training it may be possible for you to progress to supervisory jobs, then into management. Other prospects could include working in human resources, resource planning, marketing and training.

What further training and development can I do?

Once you start work, you would be given in-house training by your employer. You would train in telephone skills, data entry procedures and product knowledge. You would be coached by a supervisor or mentor when dealing with your first 'live' calls.

You could work towards various NVQ qualifications on the job, including:

- Telesales levels 2 and 3
- Contact Centre Operations levels 1 and 2
- Contact Centre Professionals levels 3, 4 and 5.

The NVQs cover areas such as developing customer relationships, IT skills, sales techniques, managing staff and resources, quality control and performance management.

You could also take NVQs in Customer Service. Your local college should be able to give you details.

You may take NVQ awards specific to your particular industry, for example, travel and tourism, finance and information services NVQs contain units on call handling techniques. For more details about specific industries, see the relevant job profiles.

You can also find more detailed information about qualifications for this sector on the e-skills UK website.

Where can I go for more information?

[e-skills UK](http://www.e-skills.com)

1 Castle Lane

London

SW1E 6DR

<http://www.e-skills.com>

If you would like to discuss your career options with a learning adviser at **learndirect** Careers Advice, call **0800 100 900** or [use our online enquiry form](#)

Homeshoring Case Study¹⁰**1. The Concept of Homeshoring**

The concept of Homeshoring was born in the US. More and more, companies are moving customer service jobs out of call centres with high overheads and into what is possibly the place attracting the lowest overheads in the U.S.: workers' homes. JetBlue Airways is perhaps the most famous practitioner; all of its 1,400 reservation agents work from home. The concept is becoming increasingly popular in the UK as well. The Co-Op Travel Group's Future Travel subsidiary is one of the largest virtual contact centres in the UK.

Whilst these virtual call centres, manned by home-based agents, cannot compete on labour costs with overseas call centre operations, the reduction in property costs and telephony costs is now making this a competitive option. Some industry experts in the US estimate that by eliminating office costs and associated administrative overheads, the home-based contact centre operates at around half the operating costs of a traditional site-based contact centre. Estimated costs for traditional call centre operations in the UK are £25-35 per hour per agent, while the costs are in the order of £22-£25 in a virtual or home-shoring centre.

The concept is suitable for those who would find commuting to work difficult, such as disabled workers, older people or lone parents. There are also environmental benefits from reduced commuting and energy costs, leading to a lower carbon footprint.

2. Development of the Homeshoring initiative in Nottingham

The Homeshoring Initiative was piloted on the Broxtowe Estate in Nottingham in partnership with Cisco and UK Virtual Contact centres (UKVCC). The Broxtowe Estate is a large area of inter war social housing with very few local employment opportunities and one of the most deprived communities within the City. It extends call centre operations into the homes of local residents by utilising a mix of home based agents and a community based training centre at the Broxtowe Educations, Skills and Training Centre (BEST).

The aim of Homeshoring in Nottingham is to develop ICT support processes and procedures in homes and in community centres for employment related training and to create employment opportunities for disadvantaged communities. The Homeshoring initiative initially formed part of the wider Digital Challenge bid, which was aimed at eradicating digital exclusion and using ICT to tackle issues of social exclusion. The projects developed under the Connected Nottingham campaign use innovative ICT ideas to engage with isolated rural and urban communities to overcome issues of social exclusion and deprivation.

Accelerate Nottingham developed the bid on behalf of the City and the Greater Nottingham Partnership. Although the Nottingham bid did not win "Homeshoring" was highly praised by Government and the Accelerate Nottingham partnership decided to take it forward outside of the Digital Challenge initiative.

¹⁰ Based on an evaluation commissioned by Accelerate Nottingham in March 2008

Consequently, the project in the Broxtowe estate was developed through active participation and negotiation between stakeholders, including representatives of Nottingham City Council, Accelerate Nottingham, BT, Cisco, Boots, UK Virtual Call Centre (UKVCC) and BEST. The pilot started in the summer when Boots agreed to have agents from the Broxtowe estate trained to handle calls for the Boots Advantage Card.

At an early development stage links were made between several stakeholders (BEST, UKVCC, GNP and Cisco) to develop the Homeshoring Initiative. Through this dialogue the Homeshoring model as it applies to Broxstowe emerged. When the Digital Challenge bid was not successful the pilot was developed outside of this remit, with capital funding from emda, GNP and BT. Identifying a customer of the service was critical at this stage. All stakeholders, including Accelerate Nottingham, UKVCC and the management at the BEST centre were involved in identifying possible customers. While initial promising discussions with private sector clients such as E-On and Capital One did not materialize, Boots agreed to engage with 10 agents (this was later increased to 12).

In the development stage a focus group of Broxtowe residents was set up to monitor the interest of the residents in the project and to learn whether they would be willing to participate in the necessary training. The focus group was made up by people from the estate; representing various priority groups, including Incapacity Benefit claimants and lone parents. After a positive response from the focus group, outreach work was undertaken to inform residents about the project by the project coordinator, targeting schools, parent groups, neighbourhood meetings etc. Promotional material was developed and a campaign was initiated to recruit candidates to the programme supported by leaflets, posters and the local press. Local authorities and partner organisations were informed about the upcoming project.

The project attracted a large number of enquiries and expressions of interest from local residents. The basic 'customer journey' for people that expressed an interest in becoming an agent for the Homeshoring project can be described follows:

Initial assessment	The Guidance, Information and Advice (IAG) workers at BEST decide whether an interested person is suitable for the project, through an initial assessment interview. If found suitable, candidates have to take a basic skills assessment.
UKVCC assessment	Once their level of Maths and English is assessed, the BEST project coordinator recommends interested and eligible candidates to UKVCC for an interview, through which candidates are short listed for the Boots recruitment process.

Employability training	BEST has given the candidates who are shortlisted for recruitment 3-hour training sessions to prepare them for the interviews. These sessions can be given individually, but are usually given to a group of about 6 people.
Recruitment process	The Boots recruitment process entails a 15-minute telephone interview, through which candidates are short listed for a second face to face interview.

The idea of Homeshoring activities in deprived communities aligns with current policy and strategies dealing with worklessness and disadvantaged neighbourhoods, such as the Neighbourhood Renewal Strategy. It has the potential to contribute to the integration of skills and employment support provision, as advocated by the Government, while also contributing to local transport agendas and Local Area Agreement targets.

3. Evaluation

The participants in the programme have the opportunity to upgrade their skills and gather work experience, which will increase their future employment prospects. Another main benefit is derived from the fact participants don't have to travel to work; making this employment opportunity easy to access for those previously excluded from the labour market.

The ability to effectively engage with communities is a key factor for success. Effective engagement not only captures the interest of potential agents but also benefits the wider community through involvement with the initiative, providing positive role models and increased awareness of training and employment opportunities.

Limited revenue funding and time available in the first stages of the pilot programme meant not all potential beneficiaries were able to access the level of training or guidance necessary to prepare them as potential Homeshoring agents. Links to other support organisations and training activities could be strengthened to provide a broader and more integrated programme of support in the future.

There is a tension between the needs of the target group and the needs of private sector customers, which can mean that the selection criteria of customers for agents are set too high for many to achieve. Finding the right mix of customers for Homeshoring will be important to provide opportunities for a broad cross section of target beneficiaries. It is recognised that customer requirements may vary in terms of diction skills and other agent selection criteria.

It was necessary to broaden the catchment area for the pilot project to ensure sufficient suitable agents could be selected to meet the very specific standards set by the customer. Consideration of catchment areas needs to be a factor in the design of future delivery models.

Of the 12 agents selected only one has since resigned and feedback from agents indicates that this type of employment is highly valued. The pilot project has demonstrated that stable employment opportunities can be created through Homeshoring.

The target group may require extra support in terms of adjusting to a working lifestyle. Additional support provision for an extended period should be provided for some beneficiaries to help them overcome problems they may encounter as they adjust to an employed lifestyle.

Although some links have been made with other organisations, a more integrated approach to delivery could have enhanced the outcomes achieved. Future delivery models should seek to align with other support and delivery organisations during the planning stage to maximise the training and guidance support offered to beneficiaries.

4. Subsequent Developments

The above evaluation was undertaken in March 2008, subsequent to which a Boots restructuring meant that the pilot was curtailed but staff employed were given the opportunity to transfer to the central Contact Centre with several successfully making that move.

Boots has expressed an interest in supporting a further initiative to test homeshoring, probably using existing staff that have already experienced the culture of a contact centre operation and transferring their work to a home or community environment.

There is strong political interest in the City Council adopting Homeshoring for its own Contact centre operations. There are a number of issues that need to be addressed including confidentiality of material, but the prospect of bringing employment to disadvantaged areas is very attractive. However, a Contact centre has recently been launched and the development of Homeshoring is likely to involve complex job evaluation and designation.

Nottinghamshire County Council is also exploring use of Homeshoring for its own services and has supported a study which is now underway that will examine the application in rural locations.

5. Reality Checks - AA Experience¹¹

The AA is exploring the use of virtual Contact Centres to support the operation of its roadside emergency membership and call out services. Its early findings point out some of the challenges as well as the benefits.

The drivers are

- Cost effectiveness
- Productivity
- Resource utilisation
- Consolidation.

The home office requires such things as an ADSL connection, a router, computer equipment along with headset and hand set. There are issues that need to be addressed and these include Health and Safety on the suitability of

¹¹ Kevin Horgan, Virtual Contact Centre at the AA, May 2007

the home for the work environment. In the pilot, concerns have arisen which include

- Suitability for the role
- Family issues including child care
- Sickness
- IT problems
- Isolation

As a result, they are profiling the people most likely to be able to adapt successfully and are looking for a range of qualities which include being motivated, flexible, confident, self disciplined and able to work with a minimum of supervision.

Engagement with Employers

Customer Contact Association (CCA) is the principal employer body for the sector, although there are several. The Association is based in Glasgow and started as a networking forum. It was identified at their annual convention in 1991 that a formal body for the UK should be established to represent the needs of its members. CCA was established in 1996 and is now recognised as the leading body representing the industry. As an independent, not for profit organisation it has over 600 members from both private and public sectors.

They have a regional presence but this covers the North West, North East, Yorkshire & Midlands. CCA's networking Forum operates 12 events per year across the UK, which focus on topics raised by member companies – e.g. attrition rates, recruitment, and fraud. A more recent issue concerns automation, with many organisations moving away from purely telephonic systems to a range which includes web, SMS and email contact. This move will require operators to respond to more complex enquiries and will have training implications.

At organisation level, all contact centres have access to the CCA Standard Framework for Best Practice, provided free to all members for self-audit, accreditation can be achieved by those organisations who seek this route through the British Standards Institution and other accreditation bodies. For individuals, CCA also has a suite of qualifications from agent through to senior manager primarily developed through links with Nottingham Trent University. CCA supports externally provided training at various levels where courses have been submitted for approval through a strict review process.

CCA have recognised the need for more networking opportunities and would support a local Leicestershire forum and would be keen to work in partnership.

Contact Centre Forum

There are a number of examples of Fora being established across the country although there is a tendency for funding to launch and promote initiatives to expire and for the activity to be embraced within wider sectoral initiatives. In the North East, contact centre issues are addressed as a specific component of the knowledge intensive service sector. Some form of public sector support is usually provided through part time secretariat to assist in organizing events and encouraging networking. Examples include a **Welsh Contact Centre Forum** which draws upon public sector resources to fund and extensive network of activities. **Locate in Birmingham** has identified contact centres as one of its key sectors since there are 250 operators and 20,000 jobs. It facilitates regular events aimed at assisting the industry. Recruitment, training, attrition, and sickness are reported as always high on the agenda, being addressed by experts in the field and fellow contact centre managers. Three to four events are held each year attracting 30 to 40 company representatives

Nottinghamshire County Council established a specific project to address labour market issues raised by contact centres locally and established the Connect project from 2000 to 2004. It secured £450,000 of ESF monies to train or re-train people either out of work or at risk of unemployment for jobs with customer contact centres. Customised training was developed to match individuals to firm's own training programmes, with a guaranteed job interview once the training was completed. Over 400 people were placed in contact centres as a result of this work, many having left

traditional manufacturing jobs such as clothing and textiles. As the project developed, Connect established the Contact Centre Forum, a county wide body that provided the opportunity for employers in both the City and County to meet on a regular basis and have a dialogue with training providers on their present and future needs. It also provided a basis for firms to explore issues that might affect recruitment and retention and despite some commercial confidences, a number of those engaged were willing to share their own practice and explore issues such as breaks, operating conditions, ongoing training etc. Visits were made to what was perceived to be “best of class” practice at sites such as First Direct in Leeds. The agenda was set in advance by the participants themselves.

When the ESF funding expired, the private sector Forum agreed that there was now a mechanism in place to enable them to meet their needs without ongoing public sector support and this exit strategy was implemented. Over 35 Companies were involved at the time, supporting over 15,000 people in Customer Contact centre operations in Nottingham and Nottinghamshire. However, in reality, the private sector had insufficient time to devote to maintaining the Forum and it gradually lapsed, a situation now regretted by the industry.

Appendix 6

Interviewees

Caroline Boucher	Leicester Shire Economic Partnership
Christine Hibbard	LSC Leicestershire
Jo Miller	Leicestershire County Council
Joanne McQuade	Customer Contact Association (CCA) North Warwickshire & Hinckley College
Ian Lewis	Leicester College Loughborough College
Duncan Squires	LETG / South Leicestershire College
Nick Selby	Stephenson College
Anthony Sherlock	e-skills UK
Sarah East	Connexions
Rhys Toon	Working Links
Robin Pointon	Invest Leicestershire
Vejay Patel	Business2Business
Alan Gordon-Smith	JobCentre Plus
Learn Direct	website information
Andrew Bacon	BT Global Services
Paul Miller	Prolog and Nottinghamshire Connect
Natasha Murphy	Hays Recruitment
Nick Moffatt	TMP

In addition, interviews and discussions were held with a sample of call centre operators within the area, not all of which wished to be identified