

**Report of:** Assistant Chief Executive (Customer Access and Performance) and Director of Environment and Neighbourhoods

**Report to:** Executive Board

**Date:** 16 May, 2012

**Subject:** Customer Access Strategy and Phase 1 Business Case

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

### Summary of main issues

1. Leeds City Council aims to deliver high quality services that put customers at the heart of all we do. Over recent years significant work has been undertaken to improve our approach to customer service and to embed a culture of customer focussed service delivery, most notably through the development of a network of one stop centres/joint service centres and the customer contact centre.
2. However, despite these positive developments, it is recognised that at present there is not a fully-cohesive approach to customer access and contact and the council does not always provide effective services in locations that are practical for customers or, make them available at times which are convenient to them. For example, self service options are currently very limited, leading to the majority of customer contact being via phone, e-mail or face to face contact, with frequent repeat contacts being experienced due to service failure/delay.
3. Therefore, there is still much work to do to ensure the Council is truly customer focussed with widespread recognition of the need for change, and acceptance of the fact that in the current economic climate, the council has no choice but to transform.
4. Through adopting an innovative approach to customer access, making the best use of people and technology and, implementing simple and consistent processes, the Council has the potential to realise considerable financial savings and deliver more efficient and effective services, ensuring they are far more accessible and convenient.

5. The new Customer Access Strategy 2012-2015, has been developed and designed to ensure the Council is best-placed to take the necessary steps to improve the customer experience. A summary of the Strategy is appended to this report.
6. In order to meet the ambitions of the Strategy, a range of improvements and developments will need to be taken forward. Therefore, this report also seeks approval for phase 1 of the new programme which is focussed on making significant improvements to the customer experience across a range of environmental services.
7. Environmental Action and Waste Management will be the service areas for improvement, focusing on the customer experience and handling of enquiries. This will be supported through improvements to systems and processes in the management of refuse collection, enquiry handling, application requests, appointment taking and scheduling. The core investment being proposed will also support delivery of later phases of the Customer Access Programme.
8. The three projects which make up this phase of the programme are the end-to-end transformation of the Environmental Action Service, re-designing the 'bulky household waste' service request process and the 'missed bins' customer reporting processes, including the procurement and implementation of an integrated waste management system.
9. The Scrutiny Board (Resources and Council Services) is keeping a watching brief on the progress of Customer Access Strategy and Customer Access Programme Phase 1 projects. The Working Group supports the proposed work to be carried out under Phase 1 and endorses the approach being taken.
10. The financial implications are included in this report, together with the recommendation to approve the required investment to support delivery of Phase 1.
11. Through delivery of the Strategy and programme, citizens will be enabled to access more services at a time and place that is most convenient to them. Whilst the Strategy places significant emphasis on promoting more on-line access for customers to achieve this, the importance of retaining quality face to face services (e.g. for more vulnerable customers), through the network of one stop centres will still remain as an important part of our offering .

## **Recommendations**

Executive Board is recommended to:

- a) Endorse the Customer Access Strategy 2012-2015, a summary of which is attached at annex A .
- b) Agree to a process of public consultation on the Strategy through the Council's Citizen Panel.
- c) Approve injection of £3 million into the Capital Programme and provide authority to spend, in order to deliver Phase 1 of the Customer Access Programme, as detailed in this report.

## **1 Purpose of this report**

- 1.1 To update Members on the ongoing work to improve the customer experience in accessing our services and to seek their endorsement of the new Customer Access Strategy 2012-2015.
- 1.2 To seek approval to an injection into the Capital Programme and authority to spend of £3m in order to deliver Phase 1 of the Customer Access Programme, including acquiring a new integrated Waste Management system.

## **2 Background information**

- 2.1 Leeds City Council aims to deliver high quality services that put customers at the heart of all we do. Over recent years significant work has been undertaken to improve our approach to customer service and to embed a culture of customer focussed service delivery. To this end, the Council is, in a number of areas, at the forefront of customer service within local government through its well developed network of one stop centres and joint service centres, its corporate contact centre and the provision of alternative access channels through which citizens and customers can access services. These and other developments which contribute to a positive customer experience which can be summarised as follows:

A network of one stop centres and joint service centres that handles over 450,000 customer visits per year and has achieved Customer Excellence accreditation.

Achievement of Excellent in the Equality Framework for Local Government.

The development of the corporate contact centre that handles over 1 million calls per year through a simplified numbering strategy.

Development of a contact centre telephony solution able to manage and monitor customer demand across a wide range of services and channels.

Development of a Neighbourhood Index that provides clear and contemporary understanding of communities.

Positive developments in relation to the way the Council responds to, and manages customer complaints.

- 2.2 However, despite these positive developments, it is recognised that at present there is not a fully-cohesive approach to customer access and contact and the council does not always provide effective services in locations that are practical for customers or, make them available at times which are convenient to them. For example, self-service options are currently very limited, leading to the majority of customer contact being via phone, e-mail or face to face contact, with frequent repeat contacts being experienced due to service failure/delay. The areas for improvement can be summarised as follows:

We do not always provide services in locations that are practical to customers or make them available at times which are convenient to them, potentially 7 days a week, 24 hours a day.

We do not have a detailed understanding of our diverse communities needs or preferences and currently, citizens are not significantly involved in designing the ways they can access the services they need.

In a number of areas we do not effectively join the front and back office of a service to the extent that we miss the opportunity to deliver more services at the first point of contact. In addition this situation leads to more repeat contact from the public where service failure or delay occurs.

We can only provide limited on-line service delivery, thereby restricting the availability of self service for customers, managers and staff at a time when the demand for such access is growing. For example, in the majority of service areas the Council is unable to book and pay for appointments through the website; most systems cannot send automated e-mail or text notifications as reminders; nor can citizens and customers initiate and track application requests on-line.

Not all staff who deal with customers have the necessary tools, processes, reference materials, training and information to resolve the majority of enquiries at the first point of contact which can lead to citizens and customers experiencing slow response times and delays in delivery.

2.3 The above areas for improvement are particularly relevant to Environmental Services, where some of the specific issues to be addressed through the proposals in this report include:

25% of contacts on refuse collection and bulky household waste (two of the highest volume - 9,000 enquiries per month - and costliest contacts received by the council) are repeat contacts from the same customers regarding the same issue which had not been resolved at the first point of contact.

Use of technology is limited and inconsistent. In Waste Management, for example, the service is currently reliant on multiple technical and manual solutions and software for operational management, with the existing database system out of date, unsupported and no longer fit for purpose.

There is a poor flow of information between the crews, the back-office staff and customer service officers.

Processes for receiving requests for service delivery are inefficient with too much time spent by support staff, receiving and managing the requests through handling large volumes of paper and recording and inputting data with extensive duplication and inconsistency.

- 2.4 It is clear, therefore, that there is still much work to do to ensure the Council is truly customer focussed with widespread recognition of the need for change, and acceptance of the fact that in the current economic climate, the council has no choice but to transform.
- 2.5 The Scrutiny Board (Resources and Council Services) is keeping a watching brief on the progress of Customer Access Strategy and Customer Access Programme Phase 1 projects. The Working Group supports the proposed work to be carried out under Phase 1 and endorses the approach being taken.
- 2.6 The Customer Access Strategy 2012-2015 has been made available to Members of the Board in full and is attached at Annex A in summary form. The Observations and Conclusions report from the Scrutiny Board (Resources and Council Services) Contact Centre Working Group is also available as a background document.

### **3 Main Issues – Phase 1 delivery for Environmental Services**

- 3.1 Through delivery of the Strategy, the Council will introduce new methods of working, make the best use of people, maximise the use of technology and re-engineer business processes to provide a much improved service and customer experience. It will facilitate simple and convenient access to services, designed around the needs of citizens, not the organisation, with as much work as possible being done on the front line, close to the customer.
- 3.2 Phase 1 of the programme is focussed on Environmental Services as it provides a range of essential services. Furthermore, there are a number of potential improvement opportunities and considerable financial and customer service benefits that can be achieved if the way the service is delivered and the enquiries handled, are re-designed and transformed.
- 3.3 Phase 1 delivery will involve the following:

The development and implementation of on-line services on the Council's website. This will include a booking facility for use by both customers and staff, to request, amend and cancel a service via the Internet. This development will improve the availability of self service and encourage increased use of the Internet. It will allow the customer to track their request on-line, as well as enabling progress updates to be issued to the customer via text and/or e-mail. For example, a customer will be able to choose a convenient date and time for collection of a large, bulky household item, amend or cancel their booking if required and follow developments through the web site, as well as receiving a text or e-mail notification, a day before the item is due to be collected.

Implementation of the new Integrated Waste Management System which will integrate with both the Leeds City Council web site and the Siebel CRM Leeds software, respond to the recommendations of the Scrutiny Board report on Waste ICT systems and, provide a near real time end-to-end process for waste collection. It incorporates 'In-cab' technology, allowing a concurrent two-way flow of information and better communications between the back office and the front line refuse collection operation on routes, collection information and priority

jobs. Furthermore it will enable improved routing, vehicle tracking and management, including real-time position updates.

The new system will result in fewer missed bins and improve reaction times to collection issues; it will lead to a decrease in fuel use and a reduction in CO2 emissions due to less mileage travelled for missed collections; a reduction in costs and resource time to handle the current paper based route sheets, maps and task lists; a decline in complaints about missed collections and, an increase in waste diverted from landfill due to more efficient response to recycling issues. It will provide better information and intelligence to plan services, ranging from proactively correcting service failures to better planning the roll-out of new services into areas where they will have the greatest impact.

The end-to-end transformation of the Environmental Action Service, including the implementation of new processes and systems, improving the ability of Customer Services to deal with enquiries and the introduction of interactive voice recognition (IVR) technology for handling some enquiries. It will also deliver mobile working solutions and define standard working practices to achieve greater consistency in the approach to service delivery and support a performance management framework.

- 3.4 Overall, greater consistency and economies of scale will be achieved within Environmental Services by promoting and supporting new ways of working, maximising the use of technology and examining and redesigning processes to fit all available channels. Duplication and administration will be reduced through the empowerment of officers to respond to customer needs at the first point of contact and increased sharing of information.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The Scrutiny Board (Resources and Council Services) is keeping a watching brief on the progress of Customer Access Strategy and Customer Access Programme Phase 1 projects. The Working Group supports the proposed work to be carried out under Phase 1 and endorses the approach being taken.
- 4.1.2 Appropriate Trade Union representatives have been engaged in the development of Phase 1 projects and the initial scope of the technology solutions.
- 4.1.3 The Phase 1 Business Case has been considered, reviewed and approved by the appropriate council officer boards.
- 4.1.4 With regards to public consultation and subject to Executive Board endorsement, it is proposed that the Council enter into a period of public consultation through engagement with the Citizen's Panel on our ambitions around customer access as detailed in the strategy in order to shape the Strategy further and identify further priorities beyond the Phase 1 business case.

## **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 Equality, diversity, cohesion and integration requirements are embedded in all planning processes for the Customer Access Programme. There are Equality, Diversity, Cohesion and Integration Impact Assessments for the Customer Access Strategy 2011-2015 and Phase 1 of the Customer Access Programme. In addition, Equality, Diversity, Cohesion and Integration screening has been undertaken for the Waste Management and Environmental Action Service Transformation projects.

4.2.2 The Equality, Diversity, Cohesion and Integration Impact Assessments highlight that we need to ensure:

interpretation and translation is delivered on request for all services accessed, irrespective of channel used;

all customer access projects and policy changes are assessed for equality, diversity, cohesion and integration, to ensure that access is fair and equal;

fair and equal access is a key measurable attribute of the performance management framework;

customer insight is used to evidence demand for the establishment of non-traditional channels which will increase service take-up and ensure fair and equal access;

a consistent approach to customer insight (including market segmentation) is used to profile our communities and service users;

a consistent approach to mapping and redesigning customer pathways is used to support service transformation;

all services have been redesigned around the customer and are provided on this basis.

## **4.3 Council Policies and City Priorities**

4.3.1 The Customer Access Strategy and Programme supports the ambition to be “The Best City Council in the UK” and the council’s new values. It will assist in the achievement of outcomes contained in the Council Business Plan 2011-2015 and help to deliver the wider city priorities.

## **4.4 Resources and Value for Money**

4.4.1 As shown in the table below, the capital requirement for Phase 1 of the Customer Access Programme is just under £3 million.

4.4.2 Included within the costs are procurement, development, implementation, technology and additional resource costs across a broad range of technologies needed to deliver the programme.

Previous total Authority to Spend on this scheme	TOTAL	FORECAST				
		2011/12 actual	2012/13	2013/14	2014/15	2015 on
	£000's	£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0					
CONSTRUCTION (3)	0.0					
FURN & EQPT (5)	0.0					
DESIGN FEES (6)	0.0					
OTHER COSTS (7)	0.0					
<b>TOTALS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Authority to Spend required for this Approval	TOTAL	FORECAST				
		2011/12 actual	2012/13	2013/14	2014/15	2015 on
	£000's	£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0					
CONSTRUCTION (3)	0.0					
FURN & EQPT (5)	1426.0		1376.0	29.0	21.0	
DESIGN FEES (6)	1203.0	211.0	992.0			
OTHER COSTS (7)	360.0		281.0	79.0		
<b>TOTALS</b>	<b>2989.0</b>	<b>211.0</b>	<b>2649.0</b>	<b>108.0</b>	<b>21.0</b>	<b>0.0</b>

Total overall Funding (As per latest Capital Programme)	TOTAL	FORECAST				
		2011/12 actual	2012/13	2013/14	2014/15	2015 on
	£000's	£000's	£000's	£000's	£000's	£000's
LCC Funding - ICT staffing	970.0	55.0	915.0			
Prudential Borrowing	2019.0	156.0	1734.0	108.0	21.0	
<b>Total Funding</b>	<b>2989.0</b>	<b>211.0</b>	<b>2649.0</b>	<b>108.0</b>	<b>21.0</b>	<b>0.0</b>

**Parent Scheme Number:** 16499

**Title:** Customer Access

4.4.3 The following table shows the revenue implications of the development:

REVENUE EFFECTS	2012/13	2013/14	10 year Totals
	£000's	£000's	£000's
EMPLOYEES		334	2,908
PREMISES COSTS			
SUPPLIES & SERVICES		131	1,285
BORROWING COSTS	119	326	2,416
<b>Total revenue cost</b>	<b>119</b>	<b>791</b>	<b>6,609</b>
<b>Savings</b>	<b>-200</b>	<b>-699</b>	<b>-7,550</b>

4.4.4 The borrowing costs assume that hardware will be funded over 5 years and all other costs over 10 years. The borrowing costs plus additional revenue costs associated with the development, amount to a total of £6,609k over a 10 year period.

4.4.5 To offset these costs, specific and measurable financial benefits of £7,550K over a ten year period, have been identified, with the largest projected savings coming from an anticipated reduction in the amount of staff required through improved processes and the implementation of transactional web self services and an integrated waste management system.



#### 4.4.6 The estimated annual full year savings post implementation are:

£131K through end-to-end transformation of the Environmental Action Service, by re-designing the way the service is delivered and the enquiries are handled, to make it more efficient and effective. This figure is based on a reduction in field officer time spent in the office, savings in administration office staff and, a reduction in the number of customer service officers needed to deal with enquiries, due to a decrease in customer contacts resulting from improvements in service delivery;

£67K from re-engineering of the 'bulky household waste' service request process and the 'missed bins' customer contact transaction process, from the front end right through to the back office. This figure has been calculated on the basis that these process changes will bring about a 10% reduction in customer contact volume, due to improvement in end service delivery (fewer missed bins and failed bulky waste collections), which will mean that fewer customer service officers are required to handle enquiries;

- £71K on running costs, including bin bags, landfill charges and ICT licences.

£160K through the introduction of waste management transactional web services via the Leeds City Council Internet site, including the facility for customers to report a missed bin or book a bulky household waste collection on-line. This figure has been based on a 25% shift in customer contacts from face to face, telephone and e-mail channels to web self-self service, resulting in fewer customer service officers required to handle enquiries;

£35K through the introduction of environmental health transactional web services via the Leeds City Council Internet site, including the facility for customers to book and pay for a removal of pests, report dog fouling, needles, fly tipping, litter problems, domestic waste issues and nuisance such as noise, odour and smoke. This figure has been based on a 25% shift in customer contacts from face to face, telephone and e-mail channels to web self-self service, resulting in fewer customer service officers required to handle enquiries;

£39K through the introduction of highways transactional web services via the Leeds City Council Internet site, including the facility for customers to report potholes, street lighting, grass cutting, overgrown vegetation, fly posting, graffiti, obstructions, verge or pavement parking, vehicles for sale, abandoned vehicles, caravans and illegal advertising. This figure has been based on a 25% shift in customer contacts from face to face, telephone and e-mail channels to web self-self service resulting in fewer customer service officers required to handle enquiries;

£331K savings from the implementation of an Integrated Waste Management System, through a reduction in fuel use due to less mileage travelled for missed collections, an increase in waste diverted from landfill, a reduction in the support costs associated with the current paper based systems (route sheets, maps and task lists) and the decommissioning of existing ICT systems and software;

- 4.4.7 In addition, Executive Board agreed in December 2011 to pilot fortnightly household waste refuse collections. Should the pilot be successful and the Council decides to roll this out to the majority of properties, an integrated waste management system would be essential to facilitate smooth transition. The issues associated with previous route changes in part stemmed from the lack of an integrated waste management system and 'on vehicle' technology. The fortnightly collection of household waste will also require speedier resolution to service delivery issues and, this would be challenging on a city-wide basis, using the current inefficient and ineffective systems.
- 4.4.8 It should be noted that a city-wide roll-out of fortnightly recycling and residual waste collections to, for example, 80% of properties, would ultimately result in estimated savings in the region of £2.5m - £3m per annum. The implementation of an integrated waste management system would underpin the achievement of these savings.
- 4.4.9 Alongside delivery for Environmental Services, Phase 1 investment will also ensure the new processes and technology will support future phases of the programme, to enable other council services to transform the way they deliver their services, in-line with the changes delivered for Environmental Services. It is expected that delivery will contribute to the following benefits across the Council:
- greater ownership of problems and improved results for customers;
  - improved quality, efficiency and effectiveness of service delivery, resulting in a reduction in avoidable contact and fewer complaints;
  - increased customer satisfaction with service delivery and, enhanced reputation of the council;
  - standardised and simplified processes resulting in reduced work duplication and economies of scale;
  - a consistent customer service experience across all contact channels;
  - lower customer transaction costs through greater use of self service;
  - better management information and business intelligence to improve ability to direct resources based on customer need and respond to changes in demand;
  - improved staff satisfaction and retention, leading to reduced recruitment and training costs.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 The decision will be subject to call-in arrangements but, there are no specific legal implications or issues relating to access to information.

#### **4.6 Risk Management**

- 4.6.1 A high level analysis has been undertaken and a number of risks have been identified, which are available if required. There are no particular risks of any significance that need to be referenced in this report.

## **5 Conclusions**

- 5.1 There is widespread recognition of the need for change and acceptance of the fact that, in the current economic climate, the council has no choice but to transform the delivery of essential front-line services. Through adopting an innovative approach, making the best use of people and technology and, implementing simple and consistent business processes, the Customer Access Strategy 2012 – 2015 and Phase 1 delivery has the potential to realise considerable financial savings and deliver more efficient and effective services, ensuring they are accessible and convenient.
- 5.2 The Phase 1 projects will involve fundamental transformation, which will affect all tiers of Environmental Services, most business processes and a number of systems. Moreover, a significant culture change will be required to implement the projects successfully and, it is important to consider, that some results will not be visible immediately.
- 5.3 Consistency and economies of scale will be achieved by promoting and supporting new ways of working, maximising the use of technology and examining and redesigning processes to fit all available channels. Duplication and administration will be reduced through the empowerment of officers to respond to customer needs at the first point of contact and increased sharing of information. Phase 1 will provide the technical infrastructure to enable greater personalisation and choice around the services citizens consume. The investment in this technology will also support future phases of the programme.
- 5.4 The programme will transform the way in which the council delivers services and interfaces with customers, to ensure that customers receive excellent services which are efficient and effective and meet their needs. It will develop and implement technology solutions, encourage a shift to lower cost access channels and re-engineer processes around the needs of customers to improve the quality of service delivery and standardise ways of working in the front and back office.

## **6 Recommendations**

- 6.1 Executive Board is recommended to:
  - a. Endorse the Customer Access Strategy 2012-2015, a summary of which is attached at Annexe A .
  - b. Agree to a process of public consultation on the Strategy through the Council's Citizen Panel.
  - c. Approve injection of £3 million into the Capital Programme and provide authority to spend, in order to deliver Phase 1 of the Customer Access Programme, as detailed in this report.

## **7 Background documents<sup>1</sup>**

- 7.1 Customer Access Strategy 2012-2015
- 7.2 Customer Access Programme Phase 1 Business Case (November 2011).
- 7.3 Customer Access Strategy Equality, Diversity, Cohesion and Integration Impact Assessment.
- 7.4 Customer Access Programme Phase 1 Equality, Diversity, Cohesion and Integration Impact Assessment.
- 7.5 Waste Management Transformation Project Equality, Diversity, Cohesion and Integration Screening.
- 7.6 Environmental Action Service Transformation Project Equality, Diversity, Cohesion and Integration Screening.
- 7.7 The Scrutiny Board (Resources and Council Services) Contact Centre Working Group Observations and Conclusions.

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<sup>1</sup> The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.