

Report of Assistant Chief Executive (Citizens and Communities)

Report to Executive Board

Date: 17 September 2014

Subject: Design and Cost Report Customer Access Programme – Improving Customer Service Delivery and Achieving Efficiencies

Capital Scheme Number: 32202/000/000

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Transactional Web Services project is a key part of the Customer Access Programme and following Executive Board approval in May 2012 Phase 1 of this project has been working with an external partner – Asidua – to deliver key customer service improvements across the council.
2. To date this work has taken place within 3 services – Environmental Action, Highways and Waste – and has introduced a significant streamlining and reduction of current processes to make it easier for customers to access and for our staff to deliver services. The work has been underpinned by a new technology platform - Asidua’s Customer Contact Platform.
3. This platform allows our customers greater access to our services through self-service via the web, whilst also allowing council staff to act on behalf of customers who make contact via the traditional telephony, walk-in, email, SMS and traditional mail channels.
4. Phase 1 is scheduled to go-live later this year and will result in over £1m in cashable savings over the next 5 years.
5. The programme is now looking for capital investment of £4.866m to deliver the next phase of the project. The expected savings are a minimum of £13.4m over the next

10 years. It should be noted that this is a conservative estimate and is based purely on savings in the front office. It is also expected that significant back-office savings will be identified and captured as the project progresses. The details of such savings are not possible to determine at this stage until further detailed analysis is completed.

6. The business case concentrates on the high impact / high volume services currently being handled via customer services.
7. There are a number of reasons why it is essential that this work takes place now:
 - a) There are considerable efficiencies and savings to be made in streamlining and improving customer processes. In order to achieve the council's strategic vision of a single view of the customer, achieve process efficiencies right across the council and maximise investment in the new technology platform introduced during Phase 1, it is important that as far as possible the council continues to migrate all customer contact requirements onto this new platform.
 - b) There is an increasing expectation amongst citizens that contact and services can be accessed via electronic channels with a high degree of automation. Failure to deliver this will see the council falling further behind comparable organisations in terms of delivery, resulting in reputational damage.
 - c) The council's existing Customer Relationship Management system (Siebel), on which the services outlined in the Phase 2 business case reside, is currently out of date, out of support and urgently needs to be replaced. This project will ensure that Siebel is decommissioned and all processes migrated to the new technology platform as appropriate.

Recommendations

Members of Executive Board are recommended to:

- Note the progress on delivery of Phase 1 of the Transactional Web Services project.
- Approve an injection of £4.866m into the Capital Programme and provide authority to the Assistant Chief Executive (Citizens and Communities) to spend in order to deliver the second phase of the Transactional Web Services project as detailed in this report.

1 Background information

- 1.1 Despite recent achievements and improvements made around delivering customer focussed services there is still much work to do to ensure that Leeds City Council is truly customer focussed. There are many drivers for delivering services which place customers at the centre of what we do and focus on meeting their needs, including:
- Customers' increasing expectations and desire to do things for themselves as well as the drive towards greater localism and the need to deliver efficiencies to deliver the council's financial strategy. .
 - Services need to operate in a coherent and consistent manner, having a single view of the customer and delivering services around customer journeys / pathways. There is a greater drive towards targeting service delivery in the pursuit of efficiency.
 - Customers want a greater say / role in decision making and they want to engage on their terms.
 - There is an increasing expectation amongst citizens that contact with modern organisations will be possible through a number of electronic channels and that a high degree of automation will be available.
- 1.2 Five customer outcomes outlined in the Customer Access Strategy 2012-2015 reflect the drivers for change. These outcomes are:
- All customers have fair and equal access to services.
 - Customers have greater control over the services they receive and how they access them.
 - Customers influence the design and delivery of the services available for them.
 - Customers' needs are, where possible, resolved at the first point of contact.
 - Customer satisfaction drives service improvement.
- 1.3 The focus of this project is to deliver services that will create significant efficiency savings whilst also ensuring the authority is truly customer focussed. Exploiting these areas will support the Council in meeting its Best Council objective of 'Supporting communities and tackling poverty' and 'Becoming a more efficient and enterprising council' by:
- Improving customer satisfaction across a range of services
 - Reducing avoidable contact from customers
 - Increasing the number of service requests fulfilled at the first point of contact.

2 Main Issues

- 2.1 In recent years the Council has located a significant number of customer facing services into one purpose built corporate contact centre. Whilst the majority of key services use CRM Leeds (the internal branding for Siebel, our Customer Relationship Management system) within the contact centre, there are still a number of key services whose customer contact is not recorded into the CRM system but instead

uses the appropriate line of business application (e.g. Council Tax Benefit system). Siebel CRM has also been used to create primary applications, for example corporate complaints, blue badge administration, welfare rights case management and bulky household waste administration.

- 2.2 The solution has never fully become the central customer record with some back office systems handling customer contact directly. In addition Siebel has limited integration with back office systems resulting in double keying, poor data quality and incomplete management information. The system is also now at the end of its life, is out of support and needs to be replaced.
- 2.3 Diagnostic work on customer contact and management evidences that within the current arrangements there are still many areas of replication and duplication of processes, systems and people.
- 2.4 This project is the vehicle for resolving this position and will develop the principle that the council should be customer, not service, focused. This improvement opportunity involves greater use of more cost effective customer access channels for enquiry handling and assessment; reducing duplication and administration through empowerment of officers to respond to customer needs at the first point of contact, and; increased sharing of information, including a single customer record.
- 2.5 It should be noted that as well as supporting other customer services initiatives around the introduction of Community Hubs and Centres of Excellence, the infrastructure being introduced by this project will also support both the Health and Social Care integration and Children's Services integration agendas.

2.6 Phase 1

- 2.6.1 Provided by Asidua, the Customer Contact Platform is a multi-channel solution that provides a Customer Portal to allow citizens to self-serve and an Employee Portal that allows Customer Services Officers and other council staff to act on behalf of customers who make contact via the telephony, walk in, email, SMS, and traditional mail channels.
- 2.6.2 Phase 1 of the project is implementing the new Customer Contact Platform into the ICT environment and this phase is currently delivering fully integrated self-service solutions for Environmental Action, Highways and Waste Management services and together these developments will result in over £1m of cashable savings over the next 5 years.
- 2.6.3 Phase 1 of this project is delivering the infrastructure and building blocks from which further developments can now be taken forward. The focus now, therefore, is to bring further services onto the platform.
- 2.6.4 Successful delivery of phase 1 was always viewed as the first step towards delivering a strategic council-wide solution for online services. It is delivering:
 - A council-wide platform for online services delivery.
 - The facility for customers to report, request, book, amend, cancel and pay for council services online.

- More simplified and efficient back and front office processes to make it easier for customers and staff.
- An online customer portal and customer account accessed through the council's website.
- A new employee portal for Customer Service Officers to log, update and monitor customer contact.
- Case management functionality to allow for the decommissioning of CRM Leeds (Siebel).
- Full integration with back office systems (e.g. Uniform, Insight and Bartec for Phase 1).
- A true end to end solution with focus on the customer.

2.6.5 An example of the type of service improvement delivered during Phase 1 is around reporting a missed bin. Currently we have 30 different processes for reporting a missed bin: this has now been reduced to one simple form. Customers will be able to report a missed bin at their convenience, 24 hours a day. The speed of resolution will also be improved, as the system will link directly to with refuse collection systems and allow a two-way flow of information between collection crews and customer services. Customers will receive an automated response to their enquiry and will be able to track progress at key stages, reducing customer call backs and duplication of effort within the front and back office.

2.7 Phase 2

2.7.1 The programme is now looking for capital investment of £4.866M in order to deliver the next Phase of the project. This business case is concentrating on the remaining high volume / high impact services currently being handled via the council's customer relationship management system (CRM).

2.7.2 There are two reasons for this. Firstly, these are high impact/high volume services which will produce significant savings for the Council. Secondly, the current CRM is based on technology (Siebel) which is end of life and no longer supported technically. There is therefore an urgent need to move services away from this platform.

2.7.3 The overall scope of the project is to deliver a portfolio of service improvements, which will transform the way Leeds City Council delivers customer services and handles assessment, across all channels, through streamlining processes and making the best use of people and technology.

2.7.4 Based on an assessment of volumes and impact of services currently handled via CRM Leeds, the suggested priority for full end-to-end integration within the new customer contact platform is as follows:

- Housing
- Revenues and Benefits
- Adult Social Care
- Children's Services (Education Services)
- Registrars (Legal and Licencing)
- Customer Services (e.g. General Enquiries, Complaints and FOI)

- 2.7.5 This approach focusses on the top 6 service areas currently delivered via the central customer services team. This actually equates to over 95% of the services currently recorded in CRM Leeds with the rest being low volume business areas or services. Focussing on these services will produce circa £13.4m savings for the council over the next 10 years.
- 2.7.6 The remaining services will be subject to further investigation and review. These lower volume services will only be the subject of full end-to-end integration where it is cost effective to do so. Where it is not, a simple form to mail / work queue approach will be adopted.
- 2.7.7 Within all of the above services there will be a number of transactions – mostly very low volume – that have been established within CRM Leeds which simply record an event and do not link to any back office solution. Where possible these will be discontinued and where these are simple information requests they will be addressed via the council’s web site.
- 2.7.8 An example of the type of service improvement to be provided during Phase 2 is the development of an electronic claim form for benefits. This will provide the Council with a cheaper way of delivering the service and it will be available for customers – or our own staff acting on a customer’s behalf - 24 hours a day. On receipt of the form information held within it will be automatically uploaded into the back office system, so there will be no need to re-key information. Time taken to receive and process claims will be quicker and the resources needed to receive and process them will be fewer, costing the council less money: it is estimated that the development of this form alone will result in savings of over £100K per annum.

3 Resources and Value for Money

- 3.1 As shown in the table below, the capital requirement for Phase 2 of the project is £4.866m. Included within the costs are development, implementation, technology and additional resource costs across a broad range of technologies needed to deliver the improvements.

Previous total Authority to Spend on this scheme	TOTAL £000s	TO MARCH 2014 £000s	FORECAST				
			2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
INTERNAL FEES (6)	0.0	0.0					
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000s	TO MARCH 2014 £000s	FORECAST				
			2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	543.4		543.4				
INTERNAL FEES (6)	0.0						
OTHER COSTS (7)	4,322.8		2,183.2	2,139.6			
TOTALS	4,866.2	0.0	2,726.6	2,139.6	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000s	TO MARCH 2014 £000s	FORECAST				
			2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000's	2018 on £000's
Prudential Borrowing	0.0						
	4,866.2		2,726.6	2,139.6			
	0.0						
Total Funding	4,866.2	0.0	2,726.6	2,139.6	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE EFFECTS	2014/15	2015/16	10 year Totals
	£000's	£000's	£000's
EMPLOYEES		28	275
PREMISES COSTS			0
SUPPLIES & SERVICES		120	1,129
BORROWING COSTS	399.6	670	6,082
Total revenue cost	399.6	698	7,486
Savings		-197	-13,419
Net	202	-275	--5,933

3.4 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 £7.4m over a 10 year period and with minimum savings calculated at £13.4m a net saving of £5.9m will be delivered from this investment.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Trade Union representatives have been engaged in the development of this work and in the scoping of the technology solutions.
- 4.1.2 The Phase 2 Business Case has been considered, reviewed and approved by the appropriate council officer boards.

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 2012-2015 and the Customer Access Programme.
- 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, and;
 - 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 values. It will assist in the achievement of outcomes contained in the Best Council Plan 2013-2017 and help to deliver the wider city priorities, particularly the objectives of ‘supporting communities and tackling poverty’ – with a priority to ‘provide accessible and integrated services – and ‘Becoming a more efficient and enterprising council’ – with priorities to ‘Get services right first time and improve customer satisfaction’ and ‘Make the best use of our assets’.

4.4 Legal Implications, Access to Information and Call In

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

4.5 Risk Management

- 4.5.1 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 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.
- 5.2 Phase 1 has provided Leeds City Council with a new customer contact platform on which to build.
- 5.3 In order to maximise its investment in the new Customer Contact Platform as well as achieving the Customer Access Strategy's vision of a having single view of the customer, it is essential that as far as possible the Council continues to migrate all remaining service areas, onto the new environment. .
- 5.4 Phase 2 of the project and its associated business case represents a continuation of this process. It concentrates primarily on high volume/ high impact services currently being handled via CRM Leeds for the following reasons:
- 5.5 These are high impact/high volume services which will produce circa £13.4m savings for the council over 10 years.
- 5.6 CRM Leeds is based on technology (Siebel) which is end of life and no longer supported. There is an urgent need to move away from this platform.
- 5.7 The financial implications are included in this report, together with the recommendation to approve the required investment to support the next phase of delivery.

Recommendations

Executive Board is recommended to:

- 1 Note the progress on delivery of Phase 1 of the Transactional Web Services project.
- 2 Approve an injection of £4.866m into the Capital Programme and provide authority to the Assistant Chief Executive (Citizens and Communities) to spend in order to deliver the second phase of the Transactional Web Services project as detailed in this report.

Background documents¹

1. Customer Access Programme - Transactional Web Services (Phase 2) Business Case (September 2014)

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.