



Agenda item:

Originator: Paddy Clarke/
James Rogers

Report of the: Assistant Chief Executive (Planning, Policy and Improvement)

To: Executive Board

Date: 17th June 2009

Subject: Development of a Corporate Interactive Voice Response (IVR) solution

Electoral wards affected:

All

Specific implications for:

Equality and Diversity

Community Cohesion

Narrowing the gap

Eligible for Call In

Not eligible for Call In

(Details contained in the report)

Executive Summary

Members of Executive Board at their meeting on 14 January 2009 agreed proposals for Phase 2 of the Customer Services Transformation Programme, including the development of a corporate Interactive Voice Response (IVR) solution. Upon progressing the development of IVR, a delegated decision was required to allocate the necessary capital expenditure to support the purchase and development of the required ICT hardware and software. This delegated decision was called in by Scrutiny Board (Central and Corporate Functions) and was considered by that Board on 29th April 2009. As a result, the decision was referred back to the Assistant Chief Executive (Planning, Policy and Improvement) with four specific recommendations. In view of the fact that Members of Executive Board agreed the initial proposal for the development of an IVR solution, it was considered appropriate by the decision maker that the matter be referred back to Members of Executive Board for consideration. In reporting back to Members of Executive Board, the helpful feedback received from Members of Scrutiny Board has been considered and each issue is addressed within this report.

In response to demands from customers, one of our key objectives is to create IVR applications that are intelligent, intuitive and customer friendly. This will help ensure that, not only is customer usage maximised, but the benefits that this facility can bring are also realised.

In reconsidering this matter, Members of Executive Board are recommended to agree to the development of a corporate IVR solution in order to increase choice for our customers in terms of how and when they can access our services.

1.0 Purpose of this Report

- 1.1. Members of Executive Board at their meeting on 14 January 2009 agreed proposals for Phase 2 of the Customer Services Transformation Programme, including the development of a corporate Interactive Voice Response (IVR) solution.
- 1.2. Upon progressing the development of IVR, a delegated decision was required to allocate the necessary capital expenditure to support the purchase and development of the required ICT hardware and software.
- 1.3. This delegated decision was called in by Scrutiny Board (Central and Corporate Functions) and was considered by that Board on 29th April 2009.
- 1.4. As a result, the decision was referred back to the Assistant Chief Executive (Planning, Policy and Improvement) with four specific recommendations. Whilst Members were not against the principle of IVR, they identified a number of issues which they felt required consideration before the decision was reconsidered. These issues were:
 - i) The levels of consultation and whether these have been sufficient to date;
 - ii) Whether the initial areas/themes to be piloted under the IVR scheme are the appropriate ones;
 - iii) Whether there is sufficient knowledge of the systems usage elsewhere in the country and particularly other local authorities, and;
 - iv) Whether equality impact assessments have been undertaken and considered as part of the project initiation.
- 1.5. In view of the fact that Members of Executive Board agreed the initial proposal for the development of an IVR solution, it was considered appropriate by the decision maker that the matter be referred back to Members of Executive Board for consideration.
- 1.6. In reporting back to Members of Executive Board, the helpful feedback received from Members of Scrutiny Board has been considered and each issue is addressed within this report.
- 1.7. In reconsidering this matter, Members of Executive Board are recommended to agree to the development of a corporate IVR solution in order to increase choice for our customers in terms of how and when they can access our services.

2.0 Not Eligible for Call-In

- 2.1. As this report is responding to a previous call-in, this report and decision is not eligible for further call-in in accordance with the Council's Constitution.

3.0 Background Information

- 3.1. The Customer Services Transformation Programme was established in 2005 to radically transform the way Leeds City Council interacts with customers who contact us. The first priority of the programme was to establish a Corporate Contact Centre, which was opened in March 2006.

- 3.2. The Contact Centre aims to be a centre of excellence in the provision of customer services, providing a high quality environment for staff to work in, hitting and maintaining high levels of performance, and employing a range of leading edge technologies to enhance the customer experience, where it is appropriate to do so.
- 3.3. Since opening in March 2007, the Corporate Contact Centre has steadily expanded so that now over 85% of principal council services are handled from there, with well over 90% of telephone calls being answered first time, a significant improvement on pre-2006 performance. Customer satisfaction levels are high, with a wide choice of access channels now available, including phone, e mail, web and SMS texting.
- 3.4. With a key objective being to provide good quality accessible services at all times, innovative customer solutions continue to be developed to support the ever developing portfolio of activity in the Contact Centre and to meet the growing demand for services outside of the traditional 8:30am to 5:00pm working day.
- 3.5. In seeking to address customer expectations in terms of service availability and the use of new technology, new developments have been introduced to provide new channels for customers to contact us, including self service on the web and over the telephone. For example, at the beginning of 2008 for the first time SMS texting enabled Choice Based Lettings customers to bid for properties on the phone if they chose to do so, supplementing the traditional channels of providing bids over the phone, on the internet or face-to-face at One Stop Centres.
- 3.6. At the beginning of this year, technology was introduced to enable Choice Based Lettings to be processed electronically and automatically, without the need for manual input of data. As a consequence, the risk associated with human error is now substantially avoided.
- 3.7. To further enhance this development, and to expand the choice of channels available to our customers, we have recognised that IVR is the next logical progression to enable customers to simply and straightforwardly lodge their bid if they wish to do so. Naturally, all the traditional channels to make bids will continue to be available for customers to use should they choose – this proposal is not about limiting any options, it's more about providing increased choice and availability of services for our customers. It makes sense from a customer perspective - more choice in terms of when and how customers access our services – as well as a financial perspective as electronic channels are significantly more cost effective for the Council enabling scarce resources to be redirected to other priorities.
- 3.8. IVR has had some bad press over recent years and has developed a poor reputation where it has been used inappropriately to direct customers to queues through multi-layers of questions. IVR has received a particularly poor reputation where there has been no alternative communication channel for those customers who prefer not to use IVR. In these situations it often leads to customer frustration, anger and complaint, because it does not help them carry out their business efficiently and effectively.
- 3.9. However, IVR is widely accepted and used by many customers to carry out straightforward transactions on the telephone, where they can reach the required outcome easily, quickly and confidently, and, importantly for the customer, at a time to suit them. By way of example, this might include booking a service, making a payment, extending a hire period, bidding in an auction etc. So, this transactional channel is now used widely and extremely successfully in many organisations in

both the private and public sector, and many customers use it extensively, confidently and through choice.

4.0 What is Interactive Voice Response (IVR)?

- 4.1. IVR refers to an automated telephone system which takes an input from a customer and providing a response without the need for the customer to speak to a Customer Services Officer. A typical IVR solution has a series of short, simple menus of pre-recorded options that the caller can choose from. Commonly, the choices are as basic as asking the customer to choose a number relating to an option which the customer will enter into their telephone keypad.
- 4.2. Increasingly, with more sophisticated IVR solutions, the customer may also be required to speak their choice from options provided or provide a little more detailed information such as their name or account number. The customer can then be provided with information depending upon the choices they input (voice or keypad) and perform a self-service transaction e.g. make a payment for a service, renew a library book or enquire about a balance.
- 4.3. From a customer perspective, a successful IVR solution should be user-friendly and seamlessly guide the customer through the full end-to-end transactional process. In the event of the customer having difficulty, an exit route to a Customer Services Officer should always be available.
- 4.4. A well-designed IVR solution will offer our customers an efficient, additional access channel to key Council Services at a time to suit them, as it can be made available 24 hours a day, 7 days a week. Such an access channel will complement those already offered and provide the customer with the breadth of choice they would expect of the Council. It is about providing the customer with more choice in how they access services at a time convenient to them. If a customer stills wants to do business via a telephone call with a Customer Services Officer or face-to-face in one of our one-stop centres, they will still be able to do so.

5.0 Current Position

- 5.1. Members of Executive Board at their meeting on 14 January 2009 agreed proposals for Phase 2 of the Customer Services Transformation Programme, including the development of a corporate Interactive Voice Response (IVR) solution.
- 5.2. A business case was prepared and approved by officers in February 2009 which proposed the procurement of an IVR platform, as well as outlining a period of development that would, initially, result in two IVR applications being created. Specifically, the business case recommended:
 - i) The purchasing and installation of an IVR platform from a company called Sabio, experienced in IVR development and deployment;
 - ii) The creation and deployment of an IVR solution to handle Choice Based Lettings bids, created and developed by Sabio, and;
 - iii) The appointment of an in-house IVR developer responsible for the maintenance and further development (starting with an application to handle requests for a bulky collection) of the IVR technology.
- 5.3. Upon progressing the development of IVR, a delegated decision was required to allocate the necessary capital expenditure to support the purchase and development

of the required ICT hardware and software. This delegated decision was called-in by Scrutiny Board (Central and Corporate Functions) and was considered by that Board on 29th April 2009.

5.4. As a result, the decision was referred back to the Assistant Chief Executive (Planning, Policy and Improvement) with four specific recommendations. Whilst Members were not against the principle of IVR, they identified a number of issues which they felt required consideration before the decision was reconsidered. These issues were:

- i) The levels of consultation and whether these have been sufficient to date;
- ii) Whether the initial areas/themes to be piloted under the IVR scheme are the appropriate ones;
- iii) Whether there is sufficient knowledge of the systems usage elsewhere in the country and particularly other local authorities, and;
- iv) Whether equality impact assessments have been undertaken and considered as part of the project initiation.

6.0 Response to Scrutiny Board Recommendations

6.1. Due consideration has been given to the four Scrutiny Board recommendations and by way of response, each recommendation is explored in further detail below:

6.2. The levels of consultation and whether these have been sufficient to date?

6.2.1 Customer Services conducted an 'Extended Hours Pilot' during 2008. The purpose of this pilot was to determine our customers preferred times for conducting their business with the Council. The pilot found that, whilst the Corporate Contact Centre's traditional opening times were still popular, there was a significant proportion of customers who would prefer to contact the Council outside of those times, particularly in the evening and on weekends. Whilst work is progressing to extend the normal opening hours of the corporate contact centre to cover the early evening and, potentially, some weekend cover, it is not considered a good use of Council resources to provide cover 24 hours a day, 7 days a week. However, some customers would still like to access certain services outside of the normal operating hours, even when these have been extended.

6.2.2 The introduction of IVR would offer a financially viable method for providing our customers with an access channel to certain Council services at a time to suit them (available 24 hours a day, 7 days a week), thereby meeting our customers expectations.

6.2.3 In addition, consultation has taken place with the ALMO's in respect of the proposed IVR application for handling choice based lettings. It is already possible to make a bid either at a One Stop Centre, over the telephone, via the internet or by text message. The ALMO's have expressed an enthusiasm for this project as it provides increased forms of access to their services, thereby increasing customers' choice and making the placing of a bid as simple and quick as possible.

6.2.4 A presentation on the possible introduction and utilisation of IVR has also been delivered to the Leeds Tenants Federation (LTF) Board. The LTF is a tenant-run organisation, created in 2004, that represents the views of Council Tenants and Private Tenants across the city. They aim to get involved in the decision making of

policy and strategies that affect homes and neighbourhoods. They have over 1000 members, represented on the Board by 18 resident directors.

6.2.5 The presentation focused on the intended use of IVR, particularly around its use for handling choice based lettings bids and requests for bulky collections. It also included a sound clip of a mock IVR application. The Board were particularly familiar with the choice based lettings process and were, therefore, a key consultee on the proposal to implement IVR for choice based lettings.

6.2.6 The presentation was extremely well received and the following observations were made:

- i) 89% expressed a desire to be able to lodge choice based lettings bids outside of normal office hours;
- ii) 89% thought it would be useful to have an IVR channel for choice based lettings bids, and;
- iii) 100% said that they would be happy to use such a service.

6.2.7 There was clearly an appetite for a self-service IVR application. The Board also offered to assist in publicising the new service in their newsletter in the lead up to its introduction. Appendix 1 provides more detailed feedback from the Leeds Tenants Federation.

6.2.8 A similar consultation is also planned with the Customer Services Focus Group. This group is made up of members of the public who have used a One Stop Centre and wish to be involved in making recommendations for service improvement. This consultation is expected to take place towards the end of June.

6.3. **Whether the initial areas/themes to be piloted under the IVR scheme are the appropriate ones?**

6.3.1 A number of IVR applications are already in place within Leeds City Council. These systems provide customers with the opportunity to perform a transaction without having to speak to a customer services officer. By way of example, customers can make a payment to the Council (in respect of Council Tax, rent, parking fine, etc.) via an IVR system. The making of a payment is a simple, high volume, transaction that readily lends itself to an IVR application. In 2007/08, over 148,000 payments, with a value of almost £14m, were made via IVR, thus proving it to be a well used facility.

6.3.2 Whilst IVR can take a payment, it cannot respond to any query the customer may have around the validity of, or the reason for, the payment request. In such instances, the customer is able to access a Customer Services Officer in normal working hours to answer their query. Given the volume of payment transactions handled by the payments IVR system, this arrangement appears to be successful and there is a clear demand for a transaction-only IVR application.

6.3.3 A benefits analysis review in 2008 identified that the lodging of choice based lettings bids was ideally suited to IVR due to the relative simplistic nature of the transaction and the high volume of calls received. Further research showed that requests for bulky collections would also be suitable for the same reasons. The same principle used for the payments IVR application would be applied in the development of these IVR applications, i.e. where the customer wishes to discuss an issue around either the CBL or bulky collections process/policy, they will, during office hours, have the option to speak to a customer services officer. However, where the customer is

simply looking to place a bid, or book a bulky collection (i.e. perform the transactional element), IVR can provide the platform for this to happen.

6.3.4 Recent analysis shows that the vast majority of all calls received (80%+) in relation to choice based lettings and bulky collections are made with the sole of intention of placing a bid or booking a collection, with no further questions or enquiries. These are also the most voluminous types of enquiries identified as being suitable for an IVR application. Their selection for this project allows us to improve access to these key council services.

6.4. ***Whether there is sufficient knowledge of the systems usage elsewhere in the country and particularly other authorities?***

6.4.1 A range of Councils and other public sector bodies use IVR to enhance their customer service offering. Examples include:

6.4.2 Councils using IVR for choice based lettings:

- i) City of London
- ii) Leicester City Council
- iii) Birmingham City Council
- iv) Royal Kingston

6.4.3 Other examples of IVR Applications in the public sector:

- i) HMRC - tax credits entitlement
- ii) City of Westminster – pay by phone parking services
- iii) Transport for London – payment of congestion charge
- iv) Environment Agency – flood warnings
- v) NHS Lothian – clinical results service
- vi) Guy and St Thomas’ – NHS Foundation Trust – speech attendant
- vii) NHS Business Services Authority – Health Card renewals and reissue
- viii) Driving Standards Agency – Driving Test reschedule
- ix) Her Majesty’s Courts Service - Automated fine collection service

6.4.4 One of the reasons for selecting Sabio to develop the first corporate IVR application is due to their standing in developing ICT solutions for contact centres. They have significant experience of developing IVR solutions, particularly in the public sector and their experience will be critical in ensuring that the most effective IVR solution is introduced in Leeds.

6.5. ***Whether equality impact assessments have been undertaken and considered as part of the project initiation?***

6.5.1 A draft copy of the equality impact assessment can be found at Appendix 2. This will be finalised upon completion of public consultation.

6.5.2 It is worth emphasising that IVR offers a new access channel to services and, therefore, widens customer choice on how to contact the Council rather than narrowing it. Therefore, the development of IVR has a positive impact on equality.

6.5.3 The planned IVR applications will be intelligent, intuitive and as user-friendly as possible, hence the decision to utilise Sabio's skills in this area. However, it is inevitable that some customers will still not use this facility. In these instances, alternative access channels already exist to ensure that IVR does not unnecessarily prevent customers from accessing City Council services. Primarily, during office

hours, there will be the option for the customer to opt out of the IVR process and speak to a Customer Services Officer instead. In addition, alternative access routes such as one-stop centres, internet, SMS, etc. continue to be available.

7.0 Conclusions

- 7.1. The views and recommendations of members of Scrutiny Board were welcomed and have been duly considered in preparing this report for consideration by Members of Executive Board.
- 7.2. One of the key objectives is to create IVR applications that are intelligent, intuitive and customer friendly. This will help ensure that, not only is customer usage maximised, but the benefits that this facility can bring are also realised.
- 7.3. The IVR systems being proposed will offer:
- i) telephone access to key city council services at a time to suit the customer – 24 hours a day, 7 days a week;
 - ii) reduced, and in most cases, zero call waiting time, and;
 - iii) a quicker and more efficient call handling process.
- 7.4. In addition to the benefits for the customer, the introduction of IVR will also allow the corporate contact centre to:
- i) increase its call handling capacity without a comparable increase in staffing numbers, thereby providing better value for money;
 - ii) redirect resources to those customers with more complex enquiries;
 - iii) increase the volume of total transactions delivered through customer self-service, and;
 - iv) increase the number of calls answered as a proportion of those offered.
- 7.4.2 It must be stressed that IVR will not preclude customers from speaking to a customer services officer – that option will always be available during normal opening hours. Instead, IVR will open up another route to council services to complement those already in place.

8.0 Resource Implications

- 8.1. There is a capital expenditure requirement for this development amounting to £262k to cover the purchase and development of an IVR solution as well funding our own internal ICT costs. This expenditure can be broken down into the following areas:
- i) Equipment £72,833
 - ii) ICT Development Staff £40,000
 - iii) Departmental Staff £50,286
 - iv) Hardware/Software £71,150
 - v) Other £27,596
- 8.2. The project will deliver an Integrated Voice Response infrastructure within the Corporate Contact Centre that is adaptable and able to provide various levels of automated telephony to services across the Council.

- 8.3. The initial proposal for the development of an IVR solution for choice based lettings and bulky collections is based upon a business case which estimates a net efficiency of £197,448 after five years and taking account of all costs, thus paying for itself and delivering a cashable efficiency to redirect to other Council priorities. This efficiency has been built into budget projections for this year and amounts to an expected saving of £120,000 in 2009/10.

9.0 Recommendations

9.1. Members of Executive Board are asked to:

- i) approve the development of a corporate IVR solution for the Corporate Contact Centre, and.
- ii) authorise the allocation and expenditure of £262k from the ICT capital development pot to support the development of a corporate IVR solution.

Background Documents:

- Report to Members of Executive Board on Phase 2 of the Customer Services Transformation Programme dated 14 January 2009
- Corporate IVR Business Case
- Report of the Scrutiny Board (Central and Corporate Functions) on the call-in of the delegated decision dated 29 April 2009

Feedback from the Leeds Tenants Federation (LTF) Board on the Introduction of IVR solution for choice based lettings:

The presentation was extremely well received and the following observations were made:

- i) 89% expressed a desire to be able to lodge choice based lettings bids outside of office hours;
- ii) 89% thought it would useful to have an IVR channel for choice based lettings bids, and;
- iii) 100% said that they would be happy to use such a service.

Other comments made during the session were:

“Really useful addition”

“Will be great”

“Will be good”

“Sound very, very good”

“Tried to get through but couldn’t” (current service)

“Good for people who can’t do 9-5”

“I like it”

(The clip was) “very, very clear, what people want”

(it’s) “just an extra service”

“Very useful addition”

“I would endorse it”

“I think that this is another option for people to use 24/7”