

Neighbourhood Services & Community
Involvement Scrutiny Commission

Briefing Report
Channel Shift delivery programme

Lead Councillor: Cllr Kirk Master.

Lead director: **Alison Greenhill**

Useful information

- Ward(s) affected: ALL
- Report author: Caroline Jackson, Head of Revenues & Customer Support Service.
- Author contact details: caroline.jackson@leicester.gov.uk Direct line 0116 4542501
- Report version number: Version 1.
- Date of report: 24th March 2016

1. Summary

The purpose of this report is to outline the Revenues & Customer Support Service Channel Shift (and Customer Access) transformation programme. The report will highlight the importance of channel shift and demonstrate the achievements made since November 2014. It will identify and outline programme resources and anticipated outcomes for 2016 for a wider Corporate programme delivered over two years to March 2018. The report was presented to the Executive on 24th March 2016.

The Executive welcomed the update, thanked the service for its achievements to date, and supported the work programme and investment. They held the following observations:

- Requested any future reports reference SMARTCITIES and explore funding opportunities.
- Skills and resources for the work programme would need to be reviewed as the programme advanced to ensure they meet the programme demand.
- To report back to the Executive later in the year with an update on the Top Ten work streams and associated estimated savings profile.

2. Recommendations

The Neighbourhood Services & Community Involvement Scrutiny Commission is asked to:

- a) Review and comment upon achievements from November 2014 – to date.
- b) Review and comment upon the outline programme of works and resources.

3. Supporting information including options considered:

3.1 Background.

Leicester City Council's Customer Services operate from our main site at Granby Street, we handle on average over 9,000 face to face transactions a month, 61,000 calls answered and 6,000 emails responded to. We offer two outreach locations which between them handle up to 12% of the face to face transactions. The staffing complement supporting this activity is 90 officers including 6 managers.

During 2014\2015 the Customer Service Phone Line was offered 727,906 phone calls. In this same period the Customer Service Centre received 133,959 visitors.

A large % of these are extremely simple transactions...

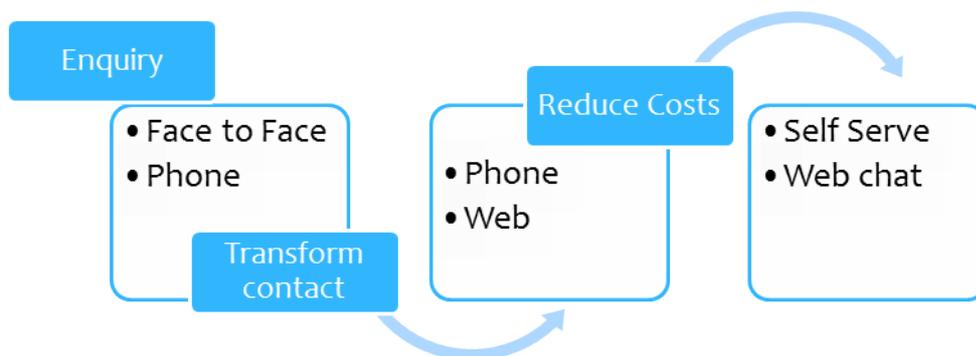
- ❖ I want to request a... bin... bus pass... application form
- ❖ I want to report a...pot hole... fly tipping... housing repair
- ❖ I want to book an... appointment ...visit...inspection

In November 2014 the Revenues & Customer Support Service appointed a senior project manager to support the service to deliver key transformational objectives. These included but not exclusively:

- ❖ Replacement of the Customer Record Management (CRM) system.
- ❖ Delivering a single customer contact centre.
- ❖ Transformation of customer interaction delivery model at Granby Street.

As the project progressed, soft market testing of the CRM system opened up the potential opportunities the service could exploit both internal to the service and to a wider corporate audience. It became clear revising both customer access and the opportunities channel shift presented would deliver savings for both the service and the corporate body. Channel shift for Leicester is:

- ❖ Moving as much customer contact away from expensive face to face and telephony channels as possible.
- ❖ In doing so improve service standards and the user experience.
- ❖ Protecting a core delivery service for those who really need it.



Below are the estimated transaction costs for Customer Service. The total cost of providing the current face to face and telephony service is £365,000 per month or nearly £4.5m p.a. As you can see from the detail below, Leicester's costs are actually lower than the national average.

- ❖ **SOCITM** published the estimated cost per transaction in the UK as:
 - Face to face £8.15
 - Telephone £2.59
 - Web £0.09
- ❖ **Leicester's costs** (excluding building running costs such as capital investment) these estimated costs are:
 - Face to Face £ 6.79
 - Telephone £ 2.12
 - Web £ 0.07

Customer Expectations are changing nationally and in Leicester in how they wish to interact with us. We know nationally 87% of adults are accessing the internet, of these

66% are doing so using a smartphone. The diagram showing Evolution of Customer Service demonstrates customer expectation. Here at Leicester we are ten years behind customer interaction expectations.



3.2 Achievements to date.

Over the past 12 months the project has delivered: see appendix A for a detailed breakdown.

- ❖ Procured a replacement CRM system. This went live on Wednesday 2nd March 2016.
- ❖ Our first digital hub was operational in December 2015 at Pork Pie Community Hub & Library.
- ❖ All city centre customer service facing locations have been brought together into one place (except one) at Granby Street.
- ❖ Payment transactions at Granby Street are now 100% self-service.
- ❖ Demonstrated the potential for achieving savings via transformational change, and these savings are currently being validated and will be reported in due course as part of the wider Using Buildings Better programme. Delivered savings through transformational change.
- ❖ Transferred some of our telephone payments to the automated payment line.

The project has been inwardly focussed for the majority of the year and has achieved real and tangible channel shift of customer contact from face to face to telephony to on line within the service.

Examples of Revenues & Customer Support Service success:

- ❖ Housing Benefit on line claim form 2011 – 50% completed on-line increased in 2015 to 86%. This demonstrates some of our most vulnerable customers have tangible computer literacy and do have access to PC's whether their own or at a library/friends/relative.
- ❖ Every year Leicester City Council sends out 130,000 council tax bills. Council

Tax saw a 47% reduction in face to face contact from 2014 to 2015 by actively directing customers to phone and on-line for queries. In 2014, telephone contact after annual billing increased by 91% from February. This compares with an increase in 2015 of 53% and 17% less than the previous year.

- ❖ Granby Street counter based face to face payment transactions in January 2015 were 1045 and by December 2015 had reduced to NIL. As a result this reduced the contact handling time, improved waiting times and allowed the service to refocus staff and introduce floor walking to promote self-serve. It improved the service for customers also in avoiding long waits.
- ❖ The Customer Service Line has historically been the primary point of contact for Leicester City Council customers to make telephone payments. In 2014/15 the Customer Service Line took 34,233 telephone payments, totalling £4,407,861. In contrast the automated payment line took 22,886 payments, £2,677,781 and the web service amounted to 127,920 transactions totalling £14,345,880. We saw this as an opportunity to shift contact. We channel shifted the contact from July onwards for payments from Parking Fines, Council Tax, Pest Control and Housing Rent Payments. Overall number of payments has remained static. However we are able to demonstrate that web payments now represent 64.4% of all payments taken.

Example of Corporate channel shift success delivered through the project:

- ❖ Call handling from September 2015 for Leicester City School Admissions Service started to be delivered by our Customer Contact Line. By introducing this service on the customer service line we reduced the call abandonment rate from 43.4% to 6.5% from September 2015. School Admissions revised all their literature to customers and promoted on-line only. This reduced calls by 1896 calls in Sept 2015 compared to Sept 2014. We have assisted School Admissions in identifying representative saving £48,835 to the service in 2015/2016

However with the procurement of the CRM system the opportunity and importantly the ability to look wider are here.

3.3 Delivery of a transformational channel shift programme

The Director of Finance requested that a board form to oversee the governance of the project. The Channel Shift board met for the first time in September 2015. Miranda Cannon is the lead Director. Head of Revenues & Customer Support is the lead Officer. The board has met monthly since forming. The board has approved:

- ❖ A dedicated Channel Shift Transformational team. Appendix B details the team structure.
- ❖ The Customer Access Strategy 2015/18. Appendix C
- ❖ Developed an indicative three year programme with the next step being to approve the priority order of key projects within this. Appendix D

Our vision for customer access is a one council approach 'One Council, One contact' delivered through :

- ❖ One Contact Centre and digital hubs
- ❖ One golden contact number
- ❖ One customer (service) website portal

The benefits this investment will achieve are a cost reduction in overall customer contact, improved customer experience through greater access to service transactions and choice of how to interact with us. This will increase cost effective contact transaction and as a consequence increase customer satisfaction and bring about maximising income. Achieving channel shift is through the customer experience. It has to be smarter, efficient and speedier. This is a cultural change. In doing this we protect the expensive contact route for those who genuinely need it.

We have barriers to overcome such as organisational culture, systems integration, lack of skills, resources and buy in. However all of these can be overcome. We will continue to work within the service to deliver transformation, show how it can be done, work and support services who wish to transform and finally support those who are less able to transform for whatever reason. Having recently presented and discussed the principles of channel shift with senior managers across the organisation we are seeing an appetite for this work from services and further ideas for channel shift being put forward for consideration. The Channel Shift Board has agreed that a robust approach to assessing those proposals is needed which examines costs versus benefits in order to ensure that projects are done in an appropriate order with those areas where there is the greatest benefit to be gained done as early as possible. One example of this is housing repairs where the volume of calls is so high that there is significant benefit to be gained from shifting this activity on-line and in turn providing an improved service for tenants, for example by allowing them to track the status of their repair on-line.

The channel shift programme is a work-stream within the wider Using Buildings Better programme. The reason for this being that it will help us in achieving a consolidation of physical customer access points by enabling customers to transact with us efficiently and effectively on-line or to use self-serve facilities at multi-service centres such as that created at Pork Pie Community Hub & Library. The work to date has linked closely with the Transforming Neighbourhood Services (TNS) project particularly.

It is proposed that the channel shift transformational team and investment needed for channel shift is funded via a £2m reserve that has been specifically built up within the Corporate Resources and Support Department from savings achieved via a combination of early delivery of spending review savings, previous year underspends and savings realised from the achievement of customer service transformational change as outlined above. We are currently developing a matrix to formulate a hierarchy of activities based on maximum savings, compared to investment and resources. This matrix will assist us to identify the work streams in which we invest our resources to achieve and maximise channel shift and deliver savings.

Potential priorities from 2016:

- ❖ The service has developed a project plan to effect the transformation across through the channel shift route. The immediate priorities for the service are:
 - CRM goes live in 2 stages.
 - * First in March 2016.
 - * Stage 2 is our customer online portal in the summer of 2016.
- ❖ Recruit Channel Shift Transformation Team
- ❖ Plan for Children's front of house and facilitate move from Greyfriars into Granby Street Customer Service Centre.

The potential programme priorities include but are not limited to:

Transformation within Customer Services 2016/17

- ❖ Customer portal live 'My Leicester' with soft public launch.
- ❖ Identify further opportunities for other digital hubs in the city linking in with the transforming neighbourhood services work.
- ❖ An IT integration to go live between the CRM and Biffa's waste management system within Customer Services to allow our customers to self-serve for Orange Bag and Bulky Waste requests.
- ❖ Implementation of a Customer Service social media feed, webpage and remote webpage assistance.
- ❖ Develop and analyse customer contact data to develop customer insight, re investigating this knowledge to improve service delivery at Leicester City Council.
- ❖ Ping-it payment solution allowing customers to make payments via smart phones goes live.
- ❖ Procure a replacement Customer Services Telephone System (Automatic Call Distributer (ACD)).
- ❖ Granby Street minor redesign as the delivery model changes to accommodate and drive self-serve.
- ❖ Managing staffing reductions in Customer Services

Transformation of Corporate Channel shift 2016/17.

Supporting other services redesign to improve customer service and effect channel shift.

- ❖ Northgate Self-serve – in particular housing repairs and the links into the CRM.
- ❖ Waste management – automate customer transactions to improve the processes of orange bags and bulky waste requests.
- ❖ Improvements to our Parking permits process.
- ❖ Concessionary travel improvements via an Online Bus Pass implementation
- ❖ Travel aid
- ❖ Licensing
- ❖ Registrars
- ❖ Bereavement Service (Gilroe's Crematorium)
- ❖ Social Care duty and assessment
- ❖ Digitalise our Furniture Bank Reuse scheme.

4. Financial, Legal and Other implications

4.1 Financial implications

This report sets out how significant efficiencies have been, and will be, achieved from the channel shift delivery programme.

Colin Sharpe, Head of Finance, ext. 37 4081

4.2 Legal implications

There are no implications arising directly from the recommendations of this report as the priorities listed are high level at this stage and dependent upon the recruitment of the new team. It is advised that legal services are involved in individual projects as they evolve in order to advise on any service/goods contract termination or procurement and to provide any advice on related issues such as best value guidance and consultation.

Emma Horton, Head of Law (Commercial, Property & Planning)

4.3 Climate Change and Carbon Reduction implications

There will be a number of environmental benefits resulting from the Channel Shift programme.

In terms of the council's operational emissions, the delivery of one single customer access point will allow a number of council buildings to be disposed of from the council's own property portfolio. This will be in connection with other streams of the Using Buildings Better programme; Transforming Neighbourhood Services, CLABs rationalisation. Emissions from any disposed properties will no longer be included within the council's operational carbon footprint calculation, and there will be a more efficient use of space in the council's remaining buildings.

In addition to its own emissions, the council uses city wide emissions as a key indicator for progress against climate change. The consolidation of services through the wider Using Buildings Better programme, and the digital offers in neighbourhood services will remove the need for people to travel to different facilities for different services or to travel into the city centre. The movement to online services will remove the need for people to travel to a council facility in general, resulting in a reduction in carbon emissions.

Louise Buckley, Senior Environmental Consultant, 37 2293

4.4 Equalities Implications

The attached EIA identifies the main protected characteristics likely to be affected by channel shift actions as: age, disability and race. The main issues that will need to be continually addressed through the lifespan of this project are the potential barriers people with these protected characteristics may have/experience in accessing council information online either at home or at a customer service centre: availability of assistive technology that enables disabled people to understand this information; support that enables people with poor English language skills to understand this information – either because of literacy levels or because they do not read or speak English; or support for those who are not confident in using or do not have ready access to online technology. The above equalities implications for each new initiative should be considered afresh to ensure that maximum access is afforded to all potential service users who would benefit from these channel shift actions.

Irene Kszyk, Corporate Equalities Lead, ext 374147.

4.5 Other Implications

None

6. Background information and other papers:

7. Summary of appendices:

Appendix A: A summary of the Customer Service Transformation (2015/16)

Appendix B: Channel Shift Transformational Team Structure Chart

Appendix C: The Customer Access Strategy overview 2015/18 presentation

Appendix D: Three year programme plan 2016/19

Appendix E: CRM EIA approved 20151218

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?