

Finance and Resources Committee

10.00am, Thursday 19 March 2015

Customer Services Improvement Programme: Final Update

Item number	7.10
Report number	
Executive/routine	
Wards	All

Executive summary

On 31 March 2015 the Customer Services Improvement Programme (CSIP) will close. CSIP aimed to deliver transformational change by providing a high quality, responsive and proactive service to all the citizens, businesses and employees of Edinburgh. “Whatever, whenever and wherever they wanted them”. The programme also aimed to deliver £3.2m of savings by 2015/16 and increase Council Tax collection by £1.2m over 3 years.

The programme has implemented a number of service improvements.

Significant improvements to the customer experience were achieved by delivering the Council’s responsive website, developing online forms and reducing processing times.

Projects which are still in delivery will now be transitioned to either the Better Outcomes through Leaner Delivery (BOLD) channel shift project or into business as usual with Customer Services.

Finance and Resources Committee

Customer Services Improvement Programme: Final Update

Recommendations

It is recommended that Finance and Resources Committee notes:

- 1.1 The closure of the Customer Services Improvement Programme.
- 1.2 The savings achieved of £1.5m projected for 2014/15.
- 1.3 The increase in Council Tax collection rate of 0.9% (£600k) in 2013/14.
- 1.4 The improvements made to the customer experience, increasing customer satisfaction from 85.2% to 87.4%.
- 1.5 The transition of projects in delivery to Better Outcomes through Leaner Delivery (BOLD) or business as usual within Customer Services.

Background

- 2.1 As part of the Alternative Business Models (ABM) Programme the Council agreed at the end of 2011 to proceed with the implementation of the internal improvement plan or Public Sector Comparator (PSC) for Corporate & Transactional Services.
- 2.2 The programme was redefined in January 2013 when the Council approved a programme of improvement in the Customer Services (CS) division, subject to an amendment raised.
- 2.3 The £4.21m budget for phase one of the CSIP was approved at the budget meeting on 7 February 2013 and was released on 1 April 2013.
- 2.4 An additional update report was made to the Finance and Budget Committee on 21 February 2013 addressing the points raised in the amendment.
- 2.5 CSIP committed to reporting progress on the programme on a quarterly basis to the Finance and Resources committee. This report seeks to provide a final update to elected members.

Main report

- 3.1 The vision of the programme was to provide a high quality, responsive and proactive service to all citizens, businesses and employees of Edinburgh, whatever, whenever and wherever they want them.

Programme Objectives

- 3.2 The key objectives of the programme were to:
- Achieve savings of £3.2m per annum (inc Council Tax Collections) by 2017/18
 - Increase Council Tax collection rates by £1.2m per annum by 2015/16
 - Improve efficiency thereby reducing unit costs
 - Reduce processing turnaround times
 - Move to digital channels
 - Improve customer satisfaction
 - Increase range of Council services delivered in Customer Hub
 - Anticipate customer needs to deliver proactive services

Programme Outcomes

- 3.3 Achieved savings of £1.5m projected for 2014/15.
- 3.4 Reduction of unit cost per telephone call from £3.18 to £2.86.
- 3.5 Customer Services division was created bringing together transactional services under one management structure to support service delivery and continuous improvement.
- 3.6 Approx 450 employees were moved from Chesser House to Waverley Court providing a modern and fit for purpose working environment. This provided the opportunity for approx 100 employees to either homework or work flexibly.
- 3.7 Improved team performance by delivering real time operational reports to managers to measure productivity which enables managers to address performance issues quickly.
- 3.8 The helpdesk function within Income & Benefits was transferred to the Customer Hub, supporting channel shift to cheaper channels and improving the customer experience by increasing a one and done approach.
- 3.9 A range of business process improvements were implemented which increased Council Tax collection rates for 2013/14 by 0.9% (£600k) compared to the previous year. 2014/15 continues to show positive signs on in-year collection rates compared to the same period last year.
- 3.10 The number of paper invoices received by the Council reduced by 9,000 by implementing an electronic process using functionality within the Oracle system to upload invoices directly into Oracle from selected suppliers. This method has provided Procurement with a negotiating tool to achieve discounts on contracts with suppliers.
- 3.11 Council Tax and Non Domestic Rate (NDR) high volume processes have been automated significantly reducing turnaround times for customers from 24 days to 1 day. This is a significant step toward the Council's channel shift strategy.

Since going live around 900 transactions per week are being processed online.

- 3.12 The ICT infrastructure was designed and built providing the ability to take instruction from online forms (customer incident) and pass this onto line of business for execution by the fulfilment team.
- 3.13 Working with the Improvement Service the Council has successfully implemented the Scottish Government MyAccount service to authenticate citizens who interact digitally. Since going live 44,176 citizens have registered with a marketing campaign underway to encourage more citizens to register to MyAccount.
- 3.14 31 online forms are live and integrated with the Customer Relationship Management (CRM) system. Customers can use the online forms to Report It eg. dog fouling, pothole, Request It eg. recycling bags, bins and View Me eg. council tax summary. The CRM records the transaction, forwards to the service area for action and emails customer to confirm transaction complete. To date 80,977 transactions have been carried out online by customers as well as customers viewing information and this will continue to grow as a result of the Council's marketing campaign.
- 3.15 The Council's new responsive website co-designed with customers through a series of customer experience workshops and was launched in April 2014 which has seen an increasing trend towards mobile access. From the launch in April there has been an increase in traffic from mobile devices of 28% year on year, tablet 28.9% and mobile 28.3%.
- 3.16 The use of social media has developed over the past year with the Customer Care Team monitoring and responding to customer's tweets for the @Edinburgh_CC account. This has seen the amount of followers increase from 22,959 to 33,860 over the year and 15,000 tweets being reviewed 24/7. Average response times to customers is 30 minutes with 4,260 service requests dealt with that would have otherwise initiated a more expensive form of customer contact.
- 3.17 Customer Satisfaction targets were reviewed to incorporate new services moving to the Customer Hub. The current method of measuring customer satisfaction is under review with a new solution to be proposed by April 2015. Current satisfaction rate is 87.4%.
- 3.18 As part of the GROW phase of the programme the services below were brought into the Customer Hub creating further opportunities for efficiencies and provide a consistent service to the customer:-
 - Advice Line
 - Get On – helping people to get back to work
 - Fixed Penalty Notice
 - Accounts Receivable
 - Licensing
 - Food bank – referral service

- Elections (Campaigns)
- Budget engagements (campaign)
- Rents (campaign)
- Debt Advice
- Waste E-mails
- Library enquiries
- NEC e-mails
- Citizen account – e-mails
- EBS Planners
- Trade waste campaigns

3.19 The Assisted Digital project, now renamed Get Online, is a collaborative programme in partnership with Libraries and Housing and continues to positively influence digital inclusion by expanding into other venues and areas of the city.

Since August, 18 Get Online sessions have been held with approx. 450 in attendance. This has utilised 306 volunteer hours including high school pupils which has been very successful and it is intended to replicate this across other locations.

3.20 Get Online has also become one of the parties involved in a new partnership with the Department for Work and Pensions (DWP) at East Neighbourhood. This involves a weekly drop-in afternoon where a representative of the DWP and various council services are on hand to provide guidance and advice across a wide range of benefits, employability and housing issues.

3.21 A number of improvements were made to the debt recovery process and a new external legal partner was selected to progress recovery of approximately £3m of sundry debt and £1.5m for NDR/Council Tax per annum. This brings all debt related legal work under one external provider and a saving of £100k per annum is anticipated.

3.22 The e-HR system was upgraded in April 2014 to a web based system providing increased functionality and access to information for employees and managers of the Council. Phase 2 is underway focusing on a Performance Management module to use for the 2015/16 Performance Appraisal and Development cycle.

3.23 Progress is being made to move towards a single view of the customer by implementing technology and processes to match records across all systems. This gives the Council a single view of its customers which will be used to proactively inform customers of services relevant to them. To date, over 70,000 records have been matched. A programme of data cleansing of unmatched records is underway to increase the number of matches.

3.24 Risk Based Verification for Housing Benefits for both new claims and change of circumstances was introduced. The software carries out a risk assessment of the claim through a number of checks and validations. The processing team will then only request evidence for claims when it is deemed high risk therefore

reducing processing times and providing an overall better experience for the claimant.

- 3.25 Some projects are still in delivery and will be transitioned to either BOLD or to Customer Services to manage as a business as usual project. The table in appendix 1 provides details of these projects, governance and ongoing benefits monitoring arrangements.

Financial Update

- 3.26 The CSIP project for the period 2013/14 to 2014/15 has a net budget of £3.6m, which is made up of investment £7.155m (capital budget of £3.155m and revenue costs of £4m) and savings targets of £2m.
- 3.27 2013/14 spend and year end projections for 2014/15 are expected to be in line with budgeted investment and savings profiles, as detailed in Appendix 2. There is a projected underspend in Capital investment of £0.342m, mainly due to API's costs being less than anticipated. Savings are projected to exceed targets by £0.180m due to accelerated savings from improving Council tax collection rates.
- 3.28 With the closure of this project residual budgets will be incorporated into the Customer Services business as usual with the exception of Marketing £0.4m budget in 2015/16 which will be the responsibility of the Communications service.
- 3.29 Of the total annual savings target of £3.2m, £1.5m is projected to be achieved by project closure at the end of 2014/15. The annual savings still to be delivered of £1.7m by 2017/18 will be delivered as follows:
- £1.237m through Customer Services with reporting arrangements transferring to Customer Services Management Team; and
 - £0.488m relating to BOLD Channel shift project will be delivered as part of this programme.

Measures of success

The programme has the following key measures of success (when compared with 2011/12):

- 4.1 reduce the running costs of Customer Services by £3.2m per annum by 2017/18; closure position - on track against savings profile.
- 4.2 increase Council Tax collection rates to improve Council income by £1.2m per annum by 2015/16; closure position - ahead of target.
- 4.3 reduce the unit cost of transactions processed by Customer Services; closure position – achieved.

- 4.4 increase the range of delivery channels for Customer Services (e.g. on-line services); closure position – achieved.
- 4.5 improve customer satisfaction for transactions processed by Customer Services; closure position – achieved.
- 4.6 increase the range of Council services available via Customer Services; closure position – achieved.
- 4.7 transform Customer Services by the addition of proactive services; closure position – achieved.

Financial impact

- 5.1 The programme is projected to achieve savings of £1.5m in 2014/15 and £1.7m by 2017/18.
- 5.2 Current spend is projected to be in line with budgeted investment and any residual budgets will be incorporated into Customer Services business as usual with the exception of £0.4m marketing budget which has been transferred to Communications to deliver the marketing activity for channel shift.

Risk, policy, compliance and governance impact

- 6.1 As well as CSIP having its own governance arrangements, it was monitored as part of the Council's major projects portfolio and was subject to regular assurance reviews by the Corporate Programme Office. The last assurance review gave the project an amber-green status.

Equalities impact

- 7.1 An equalities impact was carried out and it is anticipated that the overall programme will have a positive impact on equalities due to a wider choice of access options available to customers. This will be continue to be monitored.

Sustainability impact

- 8.1 There are no direct sustainability implications arising from this report. A Sustainability and Environmental Impact assessment will be published in accordance with the agreed Council process.

Consultation and engagement

- 9.1 A programme of internal and external consultation and engagement was carried out in conjunction with colleagues in the Business Intelligence Service and

Services for Communities. A regular forum with the trades unions was also established.

Background reading/external references

Related Committee reports:

[Corporate and Transactional Services Improvement Programme Update](#) – Finance and Budget Committee, 31 January 2013.

[Corporate and Transactional Services Improvement Programme Update](#) - Finance and Budget Committee, 21 February 2013

[Corporate and Transactional Services Improvement Programme Update](#) - Finance and Budget Committee, 21 March 2013

[Corporate and Transactional Services Improvement Programme Update](#) – Finance and Budget Committee, 6 June 2013

[Corporate and Transactional Services Improvement Programme Update](#) – Finance and Budget Committee, 19 September 2013

[Customer Services Improvement Programme: Quarterly Update](#) – Finance and Budget Committee, 16 January 2014

[Customer Services Improvement Programme: Quarterly Update](#) - Finance and Budget Committee, 6 June 2014

[Customer Services Improvement Programme: Quarterly Update](#) – Finance and Resource Committee, 9 September 2014

[Customer Services Improvement Programme: Quarterly Update](#) – Finance and Resource Committee 15 January 2015

Alastair D Maclean

Director of Corporate Governance

Contact: Danny Gallacher, Head of Customer Services

E-mail: Danny.Gallacher@edinburgh.gov.uk | Tel: 0131 469 5016

Links

Coalition pledges

P33: Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used

P30: Continue to maintain a sound financial position including long-term financial planning

Council outcomes	CO23: Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community CO24: The Council communicates effectively internally and externally and has an excellent reputation for customer care CO25: The Council has efficient and effective services that deliver on objectives CO26: The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives
Single Outcome Agreement	SO1: Edinburgh's Economy Delivers increased investment, jobs and opportunities for all
Appendices	Appendix 1 – Transition of projects in delivery Appendix 2 - Financials

Appendix 1

Transition of projects in delivery with committed savings

Project	Objective	Transitioned to	Governance	Savings to be achieved by 17/18
Customer Hub Process Improvements	Reduce unit costs through programme of business process reviews to identify improvements and efficiencies	Customer Services	Customer Services Management Team	£215k
Customer Hub – channel shift (including ICT Transformation projects ie. online transactions, CRM & MDM)	Bring services into one Contact Centre and provide customers range of channels to access Council services	BOLD – channel shift	BOLD Board	£368k
eTransactions – Income & Benefits	Reduce turnaround for customers by automation of paper and online forms	Customer Services	Customer Services Management Team	£506k
eHR phase 2	Improve functionality to record and monitor the Performance Review & Development cycle. To improve the range of information and functionality available to managers.	Customer Services	Customer Services Management Team	£75k
Advance Payments & Sundry Debt	Ongoing improvements to debt collection rates	Finance	Finance Management Team	£50k
Council Tax Improvement	Ongoing service improvements to increase Council Tax collection rates	Customer Services	Customer Services Management Team	£411k

Appendix 2

CSIP - Capital Spend/ Budget

	2013/14 spend	2014/15 Projected spend	2015/16 Projected spend	Projected Spend	Revised Budget	Variance from Budget
	£000's	£000's	£000's	£000's	£000's	£000's
CRM Functionality / Single Desktop & Integration	1,360	831		2,191	2,140	51
API's	57	42		99	372	(273)
Web Forms	67	21		88	74	14
E- HR - iTrent Upgrade			131	131	132	(1)
Web Team	33	38	119	190	231	(41)
Laserserve	74	40		114	179	(65)
Digital Assisted training				0	27	(27)
TOTAL	1,591	972	250	2,813	3,155	(342)

Appendix 2 – CSIP Improvement Revenue position

CSIP						Business As Usual		
	Budget 2013/14 to 2014/15	Projected spend 2014/15	2013/14 Spend	TOTAL Projected Spend	Projected Variance from Budget	2015/16 Budget	2016/17 Budget	2017/18 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Marketing	400	400	0	400	0	400		
Portfolio Management	869	463	453	916	47	240		
Consultancy - including Business Process Review	268	0	118	118	(150)			
Set up costs	207	207		207	-			
Revenue Investment Costs	1,744	1,070	571	1,641	(103)	640		0
ICT maintenance/ transactional Costs	668	558	144	702	34	603	628	628
Loan Charges	410	400	0	400	(10)	715	735	735
ICT Maintenance, transactional & Loan Charges	1,078	958	144	1,102	24	1,318	1,363	1,363
Council Tax Collection	1,037	590	447	1,037	-	590	590	590
I Trent Upgrade	149	55	97	152	3			
Additional Staffing	1,186	645	544	1,189	3	590	590	590
Contingency								
Total Revenue Expenditure	4,008	2,673	1,259	3,932	(76)	2,548	1,953	1,953

Appendix 2 Savings

	CSIP						Business as Usual		
	Budget 2013/14- 2014/15	2012/13	2013/14	Projection 2014/15	TOTAL Projected 2012/13- 2014/15	Variance from Budget	2015/16	2016/17	2017/18
Staffing Efficiencies	654		50	574	624	30	1,472	1,677	1,838
Council Tax Collection	1,191		681	745	1,426	(235)	1,156	1,156	1,156
Sundry Debt Recovery	150			125	125	25	175	175	175
Other Income									
Total Revenue Savings	1,995	0	731	1,444	2,175	(180)	2,803	3,008	3,169
Net Costs / (Savings)	2,013		528	1,229	1,757	(256)	(255)	(1,055)	(1,216)
Budget held Corporately	1,191		681	745	1,426	235	1,156	1,156	1,156
Reserve funding/drawdown	533	166	700	(333)	533	0	(239)	76	(65)
Funding Provided from LTFP/Reserves	3,737	166	1,909	1,641	3,716	(21)	662	177	(125)