

Cabinet Report



Listening Learning Leading



Report of Head of Corporate Services

Author: David Wilde

Telephone: 07540 349135

E-mail: David.wilde@southandvale.gov.uk

Wards affected: All

South Cabinet member responsible: Andrea Powell

Tel: 07882 584120

E-mail: andrea.powell@southoxon.gov.uk

Vale Cabinet member responsible: Debby Hallett

Tel: 07545 241013

E-mail: debby.hallett@whitehorsedc.gov.uk

To: CABINET

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Customer Transformation Strategy for the councils

Recommendation

Cabinet is asked:

- a) to approve the Customer Transformation Strategy and proposed roadmap for delivery
- b) to appoint the Cabinet Member for Corporate Services as the lead Cabinet Member, and the Deputy Chief Executive – Transformation and Operations as the executive sponsor and to delegate further decisions on the initiation of the programme to the Deputy Chief Executive – Transformation and Operations in discussion with the Cabinet Member for Corporate Services.

Purpose of report

1. The councils have a technology and digital strategy in place to support high quality and efficient service delivery. Currently customer transactions are handled through a disparate set of individual IT systems and across a wide range of teams, and are driven by each service rather than being designed around the customer.

2. Some services are using inappropriate IT systems for customer processing (garden waste, waste treatment services and mobile homes ground rent all use the finance systems with significant custom-built elements).
3. The councils do not currently have a clear view on service delivery from the perspective of the residents and businesses they serve. To address this the Customer Transformation Strategy (**Appendix A**) sets out six core principles to be applied across all services, and proposes a baselining exercise to understand the scope of transformation required and the roadmap for delivery.
4. Adopting these principles and applying them to the way services are delivered will require significant change over time but will result in much more efficient and customer centred councils.
5. The purpose of this report is to seek approval for the Customer Transformation Strategy and its roadmap to ensure success.

Corporate objectives

6. The move to customer centred service provision through digital channels, with a CRM solution at its heart, will support the councils' carbon reduction ambitions by reducing the reliance on paper and avoiding unnecessary journeys for specific service activities. It can also be used to engage with residents and businesses digitally to encourage positive climate change activities.
7. With fit for purpose technology platforms underpinning the proposed Customer Transformation Strategy, services can be flexed in accordance with the councils' strategic objectives and resident and business needs, rather than being tied to a number of different specifications written several years ago and distributed across various contracts. These are all delivered separately and without a customer centred view of what is really happening across them.
8. The use of core principles to drive effective customer services will release efficiencies through streamlining of services, taking out duplication, avoiding repeat activities and supporting technology adoption across service lines (the banking sector has demonstrated these benefits very well).

Background

9. Customer services across both councils has been provided on a service-by-service basis for many years, delivered by a mix of in-house and outsourced providers. This means the customer experience for residents and businesses is complex, difficult to navigate and focussed on particular solutions, rather than being designed with those customers in mind.
10. The Customer Transformation Strategy for the Councils sets out a new approach to delivery, modelled on customer centred service design and delivery rather than being product or service driven.
11. Procuring a Customer Relationship Management system is a critical part of the councils' technology provision which will support the delivery of the Customer Strategy. Without it the councils will be unable to join the dots between services around our residents and businesses. This will then identify how customer service provision can be

streamlined to ensure delivery against the core principles of “once and done” for transactional activity and “right first time” where we have an ongoing relationship.

12. However, the principles in the strategy cover more than just customer engagement. They include the drive to tackle the environmental challenges faced today and in the future, place safeguarding at the heart of all resident engagement, drive out waste through streamlining and automation, build confidence in the way the councils are run by being transparent in the way business is done and ensure service owners are accountable for what is delivered.

Climate and ecological impact implications

13. The move to customer centred service provision through digital channels will support the councils’ carbon reduction ambitions by reducing the reliance on paper and avoiding unnecessary journeys for specific service activities. It can also be used to engage with residents and businesses digitally to encourage positive climate change activities.
14. Increased self service and access to services based on the resident or business will reduce the need for repeat engagements and the need to travel. Informed consent models covering a range of interactions with the Councils will enable services to be delivered right first time, consolidated and the way the customer wants it, reducing unnecessary work, and the use of resources such as paper and postage. A more streamlined service also means reduced carbon emissions.
15. The use of a Customer Relationship Management solution will enable a more proactive approach to increasing the use of services on the customer’s terms (for instance promoting recycling and garden waste or providing notifications of what’s happening locally), providing a more informed relationship between residents and the Councils which can actively engage with environmental improvements.

Financial implications

16. Any council decision that has financial implications must be made with the knowledge of the councils’ overarching financial position. For both councils, the position reflected in the councils’ medium-term financial plans (MTFP) as reported to Full Council in February 2021 showed that they are both due to receive less in revenue funding than they plan to spend in 2021/22 (with the balance coming from reserves including unallocated New Homes Bonus). For South this gap is £4.3 million and at Vale it is £2.6 million.
17. The funding gap at both councils is predicted to increase to over £5 million by 2025/26. As there remains no certainty on future local government funding, following the announcement of a one-year spending review by government, and as the long-term financial consequences of the Coronavirus pandemic remain unknown, this gap could increase further. Every financial decision made needs to be cognisance of the need to eliminate the funding gap in future years.
18. This programme will be driven by the core principles set out in the Customer Transformation Strategy which are designed to take out cost created by duplication, failure demand through errors and redirection and overly complicated routes for residents and businesses to engage with council services. As such the projects delivered under this programme will deliver cost efficiencies over the 3-year period set

out in the roadmap.

19. The effort required to deliver the end-to-end services transformations that will deliver against the core principles will be significant, challenging longstanding operational practices and changing the direction from being service specific to customer centric. As such the change effort will need investment. The level of investment will be assessed following the completion of the baseline exercise to understand where services are, and the gap is clearly understood.
20. The service review and redesign workstream set out in the roadmap will include the formulation of the full business case for each project within it. These will be subject to the councils' management regime for approving projects.

Legal implications

21. As individual projects within the Customer Transformation Strategy and its roadmap are progressed, legal advice will be required in considering terms of existing contracts and in each procurement of new systems and software including approval and preparation of contracts.

Risks

22. The main risks to delivery of the Strategy are:

- a) Lack of co-operation from outsourced delivery partners. This will be mitigated as part of contract reviews and by including the core principles in future contracts.
- b) Customers do not take up the revised service models as digital by default. This will be mitigated by including customers in the service design process to ensure it is fit for purpose and meets their needs.
- c) Efficiencies from streamlining services, increasing self-service and removing duplication are not realised. The service review and redesign process will include the creation of full business cases to ensure efficiencies are identified and delivered.
- d) Information sharing prevents the creation of a rounded (360 degree) view of customers. This will be mitigated using information sharing protocols and the application of informed consent models for access to services.
- e) Services are too heavily committed on delivering existing services to undergo a service review and redesign. This will be mitigated by capacity planning and the inclusion of investment needs as part of any business case.

Other implications

23. The successful implementation of the strategy and supporting projects will also enable relevant services to access and use technology which is designed for their business areas and support better alignment with core corporate systems (Finance, CRM, HR and Payroll), in turn supporting better decision making for customer centred service delivery.

Conclusion

24. The Customer Transformation Strategy provides a clear direction for the councils to transform service delivery in line with the needs of residents and businesses, it supports the ambitions around tackling climate change and will enable the operational services to be more effective and efficient.

Background papers

Adopted IT Strategy (Cabinet decision, October 2021)