



SCRUTINY COMMISSION: 13TH MARCH 2024

LEICESTERSHIRE COUNTY COUNCIL'S CUSTOMER PROGRAMME AND APPROACH TO AUTOMATION

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose of report

1. The purpose of this report is to update the Scrutiny Commission on progress being made in the delivery of the Council's Customer Programme, including the current approach being taken and the successes achieved so far. The report also sets out the Council's proposed approach to automation as an enabler for improving the efficiency and effectiveness of Council services.

Policy Framework and Previous Decisions

2. The Customer Programme is one of Leicestershire County Council's key cross cutting programmes, as set out in the Council's Strategic Plan 2022-26. It sits within the Strategic Change Portfolio and has a current Medium Term Financial Strategy (MTFS) target to deliver £110k in 2024/25, increasing to £640k in 2025/26, with the potential for this to be increased.
3. Automation is a relatively new concept for the County Council, that is identified as part of the Savings under Development in the 2023-27 MTFS, given the potential opportunity it brings.
4. This is the first comprehensive item presented to the Committee about Customer and Automation related activities underway.

Background

5. The worsening financial position for all local authorities, and changing customer behaviours and expectations, are two key drivers that's creating a renewed focus for councils to improve customer experience and access to services, with the knowledge that by getting it right for the customer first time, can in turn reap efficiencies.

Customer and Digital Programme Vision and approach

6. The Council's vision is that "People will be able to communicate with its services quicker and easier, through modern and accessible ways". Through the Programme a future target operating model for how the Council will in future interact with its external customers is being developed. Within this creating clarity around the role of the Customer Service Centre (CSC) and efficiencies available to departments. The

changes being made are underpinned by:

- The need to deliver services with less money
- Leveraging digital channels for those that can
- Ensuring our services are accessible; people will be directed to the most appropriate channel to meet their needs
- Being data driven; any changes made are measurable and add value
- Reducing the steps involved in the Council's processes so that its easier for customers to do the things they need to do, with self-service being the aim wherever possible

7. The size and scale of the challenge is considerable, with over 3000 separate routes into council services (web pages, phone numbers, emails and online forms) and over 400,000 external contacts (excluding web views) made each month.

8. The Programme is split into two key phases:

Phase 1: improving customer efficiency within services that are currently part of the central front door / CSC, and taking the learnings from this phase to design the future model for customer contact, developing a repeatable customer framework that will be embedded within a new model (timescale: 2023-2025).

Phase 2: using the future model for customer contact to improve customer efficiency in other parts of the organisation (2026 onwards).

9. Throughout phases 1 and 2 front facing Council services will go on a journey that shifts the mindset of officers to one that consistently puts customers at the centre of operations, keeping people informed and using feedback and other insights to continuously improve. Any future model will enable improved monitoring of the customer experience and contact demand, as well as a mechanism for implementing proactive and timely improvements.

Progress made over the last 12 months, findings and successes

10. Several "diagnostics" have been undertaken to understand what is happening with customer contact in 5 out of 7 services in scope of Phase 1 which are those services that have a CSC and high customer demand. These services account for over 95% of front door contact and include Blue Badge, School Admissions, Highways, Adult Social Care and School Transport (areas with diagnostics outstanding in Phase 1 include Concessionary Travel and Waste). The activity has provided important baselines to enable officers to measure the effectiveness of any changes made.

Customer diagnostic findings

11. A considerable volume of customer contact is avoidable; contact was caused by a failure to do something or to do something right for the customer. In some areas prior to delivering any improvements this is as high as 70% of all contact received by the Council.

12. Understanding the common reasons for this failure demand will ensure these issues can in future be identified and addressed in an effective and repeatable way across the Council. Examples of the reasons for this type of customer contact include:

- The right (or clear) advice was not provided first time (accuracy of information)
- Not enough information was given upfront to help people understand what to expect and when
- People did not receive a response to their contact, meaning they made contact again
- Proactive updates were not provided about what was happening with their case
- There are too many “unstructured” channels, inviting more contact than there needs to be e.g. emails and paper/post
- There are gaps in the Council’s self-service offering, driving up contact on more costly channels
- Contact about things that are not the Council’s responsibility are invited, which then take time resolving.

13. The types of things that can be put in place to resolve these challenges, in a sustainable way, include:

- Clear, readily available information online that is designed with the customer in mind.
- Self-serve options to reduce reliance on a human response to handle an initial enquiry.
- Regular and targeted communications, using automation wherever possible e.g. auto acknowledgements, updates at key touch points, transparent information about the status of a case including where service levels/ timescales might not be being met.
- Being clear about what channels people can make contact, and what information we need them to provide during that contact.
- Portals/ customer accounts that link to case management systems.
- Working across Council teams who are supporting the same customers to ensure joined up messaging and a seamless journey.

14. Resolving these challenges will reduce customer contact and free up resource, improving our customer responsiveness and overall satisfaction.

15. In addition to avoidable contact, it has been identified that many processes could be streamlined and simplified, reducing the level of effort required to resolve enquiries and shortening the overall end to end customer completion times.

16. Having the right systems/technology, data and people/skills in place are key to achieving this ambition.

Delivery progress and successes already being seen

17. All services with completed diagnostics have projects underway to respond to the findings, with the following activity already delivering demonstrable improvements:

| Service | Key Change | Success/ progress |
|----------------|--|--|
| Blue Badge | Removal of paper applications and replace with improved online offering and assisted digital (Telephone appointments) for those unable to apply online – | Since Jan 23: - 25% increase in online applications (online uptake now 84%) |

| Service | Key Change | Success/ progress |
|-------------------|---|--|
| | <p>iterative improvements through Spring/Summer 23</p> <p>Automated telephony route signposting people online where possible (went live Nov 2023)</p> <p>Streamlined processes (in progress)</p> | <ul style="list-style-type: none"> - 63% decrease in paper applications (paper now at 9%) - Phone applications remain at 7% - End to end processing time (now takes average of 3.8 days down from 7.9 days) <p>Since Nov 23:</p> <ul style="list-style-type: none"> - 54% of callers selected to speak to an advisor, 46% selected to receive an SMS with links to our web offering - 42.9% year on year* reduction in calls - improved call handling rates, from 82% accepted calls up to 92%* (*comparing Nov – Jan period to the year before) |
| Highways | <p>Removal of unstructured email channel and replaced with online contact form, additions made to the online offering (although significant gaps still outstanding)</p> <p>Automated telephony route signposting people online where possible (went live early 2023)</p> | <p>Channel shift with online contact to call ratio moving from 52%:48% to 60%:40%</p> |
| School admissions | <p>Intensive support to resolve operational challenges</p> <p>Automated telephony route signposting people online where possible and diverting case specific calls to the right place first time (went live mid Dec 23)</p> <p>Revised web offering (went live late Feb 24) including removal of paper application, and improved marketing of library offer for those needing access to a PC or scanner</p> | <p>70% net reduction in school admissions calls into the council compared to the same period last year (Jan 24 vs Jan 23)</p> <p>Reduction in complaints</p> |
| Adult Social Care | <p>The front door moved back into the Adults and Communities department to enable greater visibility to resolve the challenges</p> <p>Automated telephony route signposting people online where</p> | <p>Early indication since go live of telephony changes, Feb 23 to Feb 24 monthly comparison:</p> <ul style="list-style-type: none"> - Demand: 28.4% reduction in calls presented to an advisor |

| Service | Key Change | Success/ progress |
|---------|---|---|
| | possible, call flow re-designed to get calls through to the right place first time (went live early Feb 24) | - Missing less calls: now 26.9%, previously 56.7% |

18. One of the most impactful changes has been the implementation of new call functionality (dialogue studio) which has resulted in call options signposting people online wherever possible, which includes the option to receive an SMS (text message) with the right web link, freeing up advisors for those unable to navigate the online offering. The ambition is to take automated contact to the next level by introducing Artificial Intelligence (AI) in the form of website “chatbots” and digital talkers (virtual advisors on the telephone). This toolset is currently being tested internally, and it is recognised that this requires a high level of confidence in the Council’s web offering for it to be a success. Other Councils are already paving the way, for example, Derby City Council’s Digital Helper “Darcie” which allows customers to communicate with the Council 24/7 and helping the organisation resolve 43% of enquiries automatically. Also Newcastle City Councils “WasteBot” has helped reduce the end-to-end timeframe for applying and receiving a permit, from 14 days down to 90 seconds using an SMS based Chatbot.
19. Customer contact increased in some services (Highways and School Transport) over the past 12 months which has affected the overall net efficiencies achieved. This increased contact is linked to operational ways of working in the School Transport service, severe weather (flooding) events and road conditions in highways. These challenges reinforce the need to fast track improvements in the online offering to improve customer experience and manage true contact demand in the most cost-effective way to mitigate budget growth.
20. Programme improvements have already enabled the Programme to achieve an annual saving of approximately £200,000, resulting in the MTFS target for 2024/25 already being delivered. The Programme has been able to remove 4.7fte of posts within the CSC and back-office services to achieve the saving. A proportion of this saving is to be temporarily invested into resource to increase the pace of digital delivery and provide assurance that the MTFS target for 25/26 onwards is achievable.

CSC team performance and productivity

21. Since the pandemic, the CSC has moved to a hybrid way of working, which means that most staff work from home, with mandated days in the office where face to face contact is required, for example, during the induction of new staff, twice monthly team days and training and development activity. The approach has ensured the team has been able to recruit and retain talent, as employees seek to find roles with a good work life balance.
22. CSC management have well developed workforce management systems in place, which ensures advisors are scheduled tasks according to peaks in demand throughout the day. Good reporting tools enable managers to measure individual staff performance against key service targets, such as call handling rates of individuals. The approach is continuously being refined, and given the CSC is a fundamental part of the overall customer journey for many Council services, the team

(along with back office teams) is central to process reviews that consider how officers undertake tasks for customers, including how productive and effective staff are in fulfilling such activity.

Customer Programme plan for the year ahead

23. High level activity for the next 12 months involves:

- Completing the implementation of current projects, continuing to measure impact and assess customer feedback to ensure the change is sustained.
- Progressing automation and AI related opportunities.
- Designing and implementing School Transport, Waste and Concessionary Travel customer improvements.
- Ramping up internal programme communications across the council and start to engage wider stakeholders around the requirements for the future operating model.
- Having the new model designed and costed by April 2025.

Automation as an enabler for LCC's wider Strategic Change Portfolio

24. The term "automation" refers to the use of various technological solutions that will enable the Council to achieve its outcomes with minimal human input.

25. Automation technologies are advancing rapidly, and other local authorities are starting to harness the opportunity that automation brings with increasing numbers reaping the benefit. There has been a sharp increase in districts and unitary authorities adopting automation to support full end to end online processing of council tax, however, this isn't without help from global software companies.

Trialling technology

26. Over the past 12 months, officers have been trialling various technologies to understand how automation works, and what this could mean for the County Council. A number of proof of concepts (PoCs) have been delivered mainly within adult social care, looking specifically at digital process automation as follows:

| PoC | Success measures – level of efficiency in an average week | Total time saved |
|--|--|--|
| Processing high volume categories of inbound post | 94% success rate (i.e. only 6% required human intervention) | 30 hours of manual effort avoided across the processes |
| Matching and allocating incident reports to speed resolution | 24/7 hours of effective service level (i.e. the bot works all day to process IRs removing any delay in getting these to the right team to resolve) | |
| Creating and sending new financial assessments | 95 assessments fulfilled | |

| PoC | Success measures – level of efficiency in an average week | Total time saved |
|--|---|------------------|
| Matching and case noting new social care contact forms | 50 contact forms matched to LAS case management system | |

Next steps for automation at the County Council

27. In order to progress automation any further, the Council is undergoing a procurement exercise with the aim of identifying a strategic automation platform and delivery partner(s) that the Council can seek support from should the Council identify further opportunities to implement. Any contract secured would be a long-term partnership (minimum of 4 years) with the optional requirement to implement services, providing a rapid route to mobilisation.
28. There is a cost to automation and therefore implementation will be through targeted programmes of work, ensuring that there is sufficient analysis and challenge of mini business cases and a demonstrable return on investment. The underlying principle being that each opportunity will need to pay for itself and deliver on-going savings. Opportunities will need to be grouped as part of a wider vision for a service area. Priority areas to progress using this approach are Adult Social Care finance, School Admissions, Back-office support functions and the Adult Social Care front door.
29. Council officers across all service areas continue to be kept informed of progress through regular communications and briefings, and ongoing activity is taking place to strengthen links between Transformation and ICT colleagues so that automation opportunities are identified at the earliest point.

Resource Implications

30. Customer programme: resource to deliver the programme is predominantly coming from the Transformation Unit, Customer Service Centre, Web and digital team and back-office services as and when required. As a future operating model is designed there will likely be resource implications, as changing people and skills requirements emerge. Internal resource will be accounted for in individual business cases.
31. Automation activity: resource to deliver automation will come from a combination of existing ICT resource and third-party delivery resource. Internal resource will be accounted for in individual business cases.

Timetable for Decisions

32. Views expressed by the Scrutiny Commission will be fed into wider future model design conversations. The evolving model for customer contact will be shared over the next 12 months, with Scrutiny receiving future model proposals before March 2025 (exact timeline to be confirmed)

Conclusions

33. The County Council's Customer Programme is progressing well with demonstrable successes being achieved that will benefit the Councils customers. This will take time

and resource to design, implement, and embed a new model for customer contact. Activity to date shows the importance of understanding the drivers for customer contact, to put in place effective improvements, of which enhancing the Council's digital offering is a key component. Members are invited to comment on the updates provided, so that the relevant officers can build in any key considerations into forward planning.

Background papers

Leicestershire County Council's Strategic Plan 2022 – 2026 -

<https://www.leicestershire.gov.uk/about-the-council/council-plans/the-strategic-plan>

County Council, 21 February 2024 – MTFS 2024/25 – 2027/28

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=7305&Ver=4>

Circulation under the Local Issues Alert Procedure

34. None

Equality Implications

35. The changes the Council is making are informed by customer insight, including looking at contact coming via the Council's existing communication channels and by understanding the journey and experience that people are having; the team has listened to calls and studied the evidence to develop baseline positions from which any change can then be monitored.
36. Changes made are done so iteratively, enabling the impact of the changes to be measured and feedback received from customers across all channels considered, and any relevant complaints and compliments the Council receives. Internal staffing groups in other services have been used to test the changes, and regular project team meetings allow officers to consider any adjustments or further improvements needed to achieve the desired position.
37. Although there is a strong emphasis on channel shift, this is on the basis that online self-service channels are designed with the majority in mind, enabling other channels such as telephone lines, to remain available for those unable to access and use the online offering. Where customers are unable to go online, people are encouraged to seek help from friends or family who may be able to assist, and where this is not possible, these individuals can call and receive support over the phone. The Blue Badge project has been a pathfinder for this approach, and so far it is being well received. Experience to date has shown that by making online journeys simple and easy to use, then this is the preferred channel of choice for most. The channel shift challenge has mainly come from not having some services available online where customers would expect to be able to do so.

Human Rights Implications

38. Automation and artificial intelligence are tools that the Programme will draw on to streamline information and advice, as well as enable faster decision making. Automated decision making will look to identify customers who clearly meet a certain threshold and criteria which makes them eligible for a service. Where there is any

doubt in a person's eligibility, such cases will always be referred to a human for verifying. With this in mind, there are no human rights implications arising from this report.

Other Relevant Impact Assessments

39. The Customer Programme will contribute positively to the overall environment and carbon agendas, due to reduction in paper applications and postage.

Officer(s) to Contact

Jayne Glasgow, Assistant Director, Corporate Resources

Telephone: jayne.glasgow@leics.gov.uk

Email: 0116 3054116

Katy Murphy, Customer Programme Manager, Transformation Unit

Telephone: 0116 3059243

Email: katy.murphy@leics.gov.uk

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