

Birmingham City Council

Report to Cabinet

14th December 2021



Subject: Customer Service Strategy, Enhanced Business Case and Delivery Programme

Report of: Director, Digital & Customer Services

Relevant Cabinet Member: Cllr Brigid Jones - Deputy Leader

Relevant O &S Chair(s): Councillor Mohammed Aikhlaq - Resources

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 009009/202		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 On the 10th November 2020, the Council launched its Delivery Plan 2020-2022. The Delivery Plan describes two types of activity which will be delivered in parallel through to May 2022, ensuring we deliver our short and medium-term commitments alongside shaping our approach for realising our longer-term goals.

- 1.2 Cabinet mandated a significant shift in how we improve the Services we provide to Customers. The Customer Service Programme was formed to deliver that significant improvement in performance. The Outline Business Case for that Programme was approved by Cabinet in January 2021 to initiate a Discovery phase, which was essential for the completion of the Enhanced Business Case (EBC).
- 1.3 The purpose of this report seeks approval for the additional funding to deliver the customer improvements and savings to commence in January 2022. A view of the scope of the Customer Service Programme, the agile and customer centred approach and the associated funding to deliver the programme are detailed in the Enhanced Business Case.
- 1.4 The Customer Service Programme has mapped out the cost saving opportunities and the customer journey improvements, identified in the discovery phase. The outputs have provided the programme with a roadmap for change which are based on the four key priority areas to start in January 2022 until January 2023:
- **Service improvements** - delivery of customer journey improvements for the priority service areas, identified in the discovery phase by customer preference, complaints, and volume data.
 - **Fixing the basics** - finalisation of the Quick Wins & Early Momentum outputs ('fix the basics') that have been scheduled to be completed.
 - **Programme delivery** - delivery of the Customer Service Strategy for the period up to January 2023, and embedding of the thinking, skills, and approach into the organisation to enable a long-term sustainable approach to transformation.
 - **Delivery of the enhanced business case** – delivery of the core capabilities defined in year 1 of the Customer Service Strategy, that will deliver savings for the Council and can be used by other business areas during and beyond the programme to achieve efficiencies.
- 1.5 This report also highlights the activities undertaken by the Customer Service Programme to develop a new Customer Service Strategy and submitting the version for approval as part of this process.
- 1.6 The development of our Customer Service Strategy establishes a key set of principles and promises, positioning work and priorities within the context of 'A fit for purpose council', using a sustainable process and approach to sustain the strategy beyond the lifetime of the programme.

2 Recommendations

- 2.1 That Cabinet: -
- 2.2 Approves the Customer Service Strategy (**Appendix A**) to ensure a joined-up and consistent approach to best-in-class service delivery across the Council

and partner organisations, putting the customer at the heart of everything we do.

- 2.3 Approves the enhanced business case (**Appendix C**) with associated investment of £1.7m to deliver the next stage delivery programme to start in January 2022 until January 2023 as a drawdown of the already approved investment funds for Customer Service. Further investment will be brought back to Cabinet for approval together with the successes and learnings from the programme implementation.
- 2.4 Notes the progress made by the Customer Service Programme to date since the submission of the Outline Business Case in January 2021.

3 Background

- 3.1 Customer expectations of the Council are rising. Our customers expect services that are reliable, joined up around their needs and involve them as equals. They benchmark our performance against the likes of Uber and Amazon, Spotify, and Expedia. These changes in expectation fundamentally challenge how our services need to be designed; how they are led; our approach to innovation and how we drive change and improvement in a consistent and reliable manner across the Council as a whole. This applies not only to services run by our customer services team – it means all services, from children to adults, from street cleansing to parking enforcement, treating customer, citizens, and service users with respect. This will require a step change in our approach rather than incremental changes at the margins or digitising what remain effectively paper based or manual processes. The world has moved on and so must we.
- 3.2 There is sometimes a lack of trust between our Customers and the Council. Customers expect a much greater level of involvement in decisions that affect their lives, be they the big things that have a bearing across the City as a whole, or the little things that have a big impact in their street or neighbourhood.
- 3.3 In this context, getting the basics right means more than relentless reliability, it also means understanding and then exceeding expectations, and in turn that means an approach to service delivery that is open, reflective, and humble. The test for our services should be whether, they are consistently putting citizens first, building trust and designed around citizen needs.
- 3.4 The pandemic has challenged the Council to think and do different things. The UK saw the equivalent of more than 12 years of ecommerce growth in a single year and the pandemic accelerated the digitisation of customer interactions in Europe by three years and the partial or total digitisation of products and services by seven years, compared with the average rates of adoption in 2017-19. (Source: Digital Transformation Report in the Times (Sept 2021). We cannot stand still as this technological revolution accelerates. We need to be bold and embrace the innovation that is becoming commonplace now.

3.5 Our success over the last 18 months in meeting the challenges posed by covid19 has given us much for the Council to be proud of, but we need clear ambition to make sustainable changes to how the Customers experience the services the Council provides. It is within this context that a new Customer Service Strategy is required.

3.6 Our analysis of the Council's current customer contact shows the following:

- Contact is not managed in a structured or uniform way - we have fewer than 2% of services managed within the contact centre.
- Excessive points of contact -
 - 265 attached websites
 - 200 contact numbers
 - 151 email addresses
 - 131 postal addresses.
- We don't ask customers what they think or gather knowledge to improve - Only 5% of our service areas ask customers about satisfaction and where we do, the satisfaction level is only 60%.
- We are not using our customer portal (Brum Account) to its full capacity. Only 21% of service areas have services available on our customer portal.
- Non-standardised web forms: we have 119 forms online. The functionality is not uniform and, in some cases, forms still need to be printed off and for a wet signature to be added.
- Unclear access points for Customers, Visitors, Businesses and Tenants to information, advice guidance or trading opportunities.
- Difficult to navigate website with jargon and often out of date content.

3.7 The new Customer Service Strategy has been developed with the following principles:

- We will work better together with you
- Make quicker decisions for you
- Reduce your need to contact us
- Tell us once
- We will put the citizen first
- Taking a proactive approach to customer service

The complete Customer Service Strategy can be found in **Appendix A**.

3.8 In September 2021 the Customer Service Programme launched an engagement survey on the principles within the new customer service strategy. The survey received 1530 responses.

- 3.9 The engagement survey questioned citizens, businesses, staff, and visitors on satisfaction with Council services and whether there is a need to improve Council services, as well as opinions on the principles and themes of the customer service strategy.
- 3.10 Almost 67% of respondents said they were not satisfied with the quality of service received from Birmingham City Council. Respondents were asked which services they were unhappy with, and a wide range of responses were received for services across the Council. Services such as housing, waste collection and street cleansing, social care, and council tax ranked high. The lack of satisfaction concerned activities such as how to book a service; not receiving responses to emails; finding the website difficult to navigate; not being able to contact specific staff; as well as not being treated with respect and feeling ignored, neglected, and dismissed.
- 3.11 The survey also told us that 92% of respondents agreed that Birmingham City Council needs to change and improve services.
- 3.12 When asked about the principles and themes in the customer service strategy, the majority of respondents strongly agreed or agreed with the principles and the themes for improvement and change.
- 3.13 Regarding the principles, the following feedback was received:

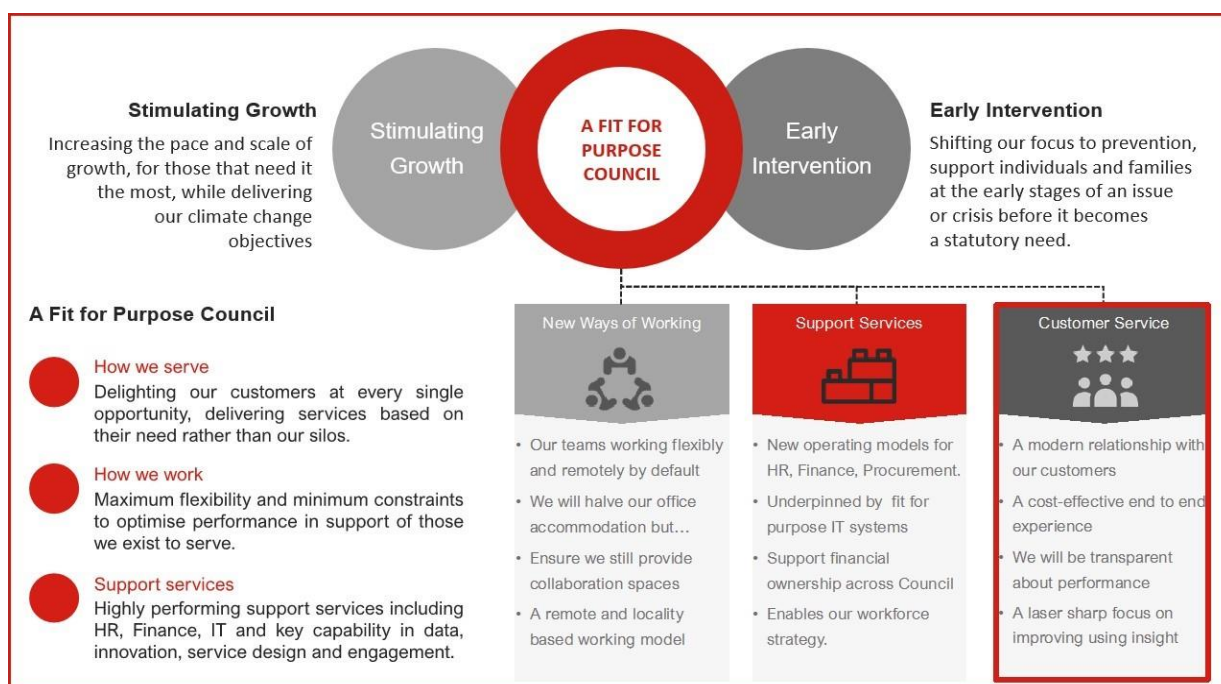
Table 1 – Feedback from the Customer Service Strategy Engagement

Principle	% strongly agree/agree
We will work better together with you	79
Make quicker decisions for you	77
Reduce your need to contact us	75
Tell us once	71
We will put the citizen first	86
Taking a proactive approach to customer service	81

- 3.14 The responses from the survey indicate that the Council needs to change our approach to customer service to ensure we provide an exceptional level of customer service. **Appendix B** provides further insight into the 2021 Customer Service engagement Survey that highlights the importance the Council to do more to improve our current customer service.

- 3.15 The feedback from the customer engagement survey has provided key priority areas for the Customer Service Programme, and to deliver the change interventions are required in three phases:
- Fix the basics
 - Raise the standard
 - Set the standard
- 3.16 The Strategy establishes a key set of principles and customer promises upon which the Council should be judged.
- 3.17 The Customer Service Programme will work in partnership with the community to maximise opportunities to tackle inequality and address both long-standing and novel challenges facing the city, including customer service improvements. This will enable the Council to:
- Use innovative technology and processes to support making Birmingham an aspirational city to grow up and live in.
 - Optimise services to support making Birmingham a great city to live in.
 - Focus our resources on the people that need it most, making Birmingham a fulfilling city to age well in.
- 3.18 This Customer Service Strategy will support the Council to organise our services around demand; leverage the city's many opportunities for the benefit of local people; connect with citizens in a way that improves their quality of life and drive innovation within the organisation and across partnerships by making sure we put in place the necessary strategies and capacity to enable it to happen. The Customer Service Strategy will comply with the Council's Delivery Plan 2020-2022 and will contribute to the following outcomes and related priorities:
- Using innovative technology and processes to support making Birmingham an aspirational city to grow up and live in.
 - Optimising services to support making Birmingham a great city to live in
- 3.19 Figure 1, below, provides a high-level summary of how the Customer Service Programme relates to our parent portfolio and to other strategic transformation initiatives across the Council.

Figure 1. Fit for Purpose Council portfolio breakdown.



4 Current Progress

The Customer Service Programme has held several engagements and sessions with Services/Directorates to discuss and agree the cost savings and opportunities in the delivery phase. The key activity completed during July to October was focussed on developing the Enhanced Business Case for the wider programme. The following remedial work commenced and is scheduled to be completed by December 2021:

- Reducing contact numbers in all media types
- Reducing postal addresses
- Reducing email addresses
- Increasing customer satisfaction in services to all access points where already available.

5 Summary Business case

5.1 The Enhanced Business Case is an **Appendix C** of this Cabinet Report.

The original Outline Business Case sought and approved total funding of £0.800m with £0.398m from the transformation budget (January 2021) and £0.402m from the delivery plan reserve (July 2021). Spend to date against this £0.800m budget is £0.517m with a further £0.237m committed to date. Details per projects is included in table 2 below.

Table 2 – Status of Previous Funding Requests

Status	Project	Activity description	Total investment request (£M)
Tranche 1			
Completed	Discovery Phase (complete)	Resources to complete discovery phase for Customer Service programme	0.261
Completed	Programme Resource (complete)	Programme Team stand up and resource onboarding before commencement in April	0.048
Green On-track	Web Compliance	Onboarding of Project Manager and Web Support Team	0.017
Green On-track	BRUM Account Phase 3 (ongoing as planned)	Onboarding of Project Manager and Support Team	0.031
Tranche 2			
Completed	Delivery Phase of Customer Journey Improvement Project (complete)	Onboarding of Project Manager and Support Team	0.041
Green On-track	Extension costs	Programme team to support the engagement process of the Customer Service Strategy, development of the EBC and implementation programme plan for the Customer Service Programme.	0.031
Green On-track	Tranche 2	Delivery of tranche 2 activity	0.325
Tranche 1 and 2: on track for completion by 30 November 2021 as per plan			£0.754

Table 3 – Summary of the Opportunity Cost Savings

Capability Area	Benefit Title	Service Area/s	Saving (£M)
Smart Communications	Chat bots and other automated communications to handle customer enquiries	Contact Centre	£0.400
Internet of Things	IoT for sensing damp across housing	Housing	£0.790
Robotic Process Automation	Automating appointment reminders and post assessment data entry double keying	Bereavement Services	£1.000
Pre-emptive demand	Renewals and reminders for collections of garden waste.	Waste Service	£0.087
Customer Journey Automation	Automating Retail Markets	Licencing Service	£0.100
	Automating Pest Control	Licencing Service	£0.100
Digital Engagement	Video based diagnostics, self-repair and first time fix etc.	Housing	£1.000
Joined up data sets	Using data from other systems to tackle illegal HMOs in Birmingham	Licencing Service	£1.500
Optimising Customer Services	Individual savings opportunities centred around utilising best practice customer service practices, technologies, and tools.	1.Waste – Com/ Clin 2.Registrars 3 Street Cleansing 4.Planning 5.Libraries	£0.900
Total			£5.900

5.2 The Customer Service Programme has developed a comprehensive proposal for change, using agile project management principles set out in the attached EBC. In doing so, the programme will be cognisant of other parts of the portfolio to determine the type of council that Birmingham needs to be in the medium and longer-term to deliver its vision and ambitions.

5.3 The Customer Service Programme is an overarching, cross-cutting programme and will require the Council to manage customer service improvements as a set

of portfolios of works in line the Customer Service Strategy. This will ensure a joined-up and consistent approach to best-in-class service delivery across the Council and partner organisations, putting the customer at the heart of what we do.

- 5.4 The Customer Service Programme will continue to use the current programme governance to ensure the overall performance, benefits, risks, and issues are strategically aligned so that future Customer Service is fully understood and agreed by key stakeholders. Customer Service Design Principles will be established to assure new solution designs, ensuring that each component meets the requirements and are fit for purpose with the overall architecture / corporate strategy in meeting customer needs.
- 5.5 The Customer Service Programme will implement and embed a sustainable process and approach to deliver the strategy using internal resource during the lifecycle of the programme.
- 5.6 The programme will return to Cabinet to confirm the medium-term sustainability requirements and financial requirements to continue the activity of the programme beyond its first year (January 2022 to December 2023), to ensure the progress made in the selected services continues across the 1200 services the Council provides.

6 Next Phase of the Customer Service Programme

Implementation: Delivery of EBC Scope - Programme Tranche 3 - January 2022 – January 2023:

- Programme delivery - continuation of the delivery of the Customer Service Strategy for the period up to January 2023, and embedding of the thinking, skills, and approach into the organisation to enable a long-term sustainable approach to modernisation.
- Priority projects - to deliver the priority end-to-end service improvements identified by the Business Case activity in the first year. A range of core capabilities will be also delivered by the programme through this work including:
 - Smart communications – chat bots and other automations to handle and improve customer enquiries.
 - Robotic process automation – for appointment reminders and reducing double keying of information e.g., Care plans and financial assessments.
 - Pre-emptive demand reduction – for example garden waste renewals.
 - Customer service improvements – prioritising individual customer service and efficiency improvements, implementing best practice and user centred design principles.

- 6.1 **Fixing the basics** - finalisation of the Quick Wins & Early Momentum outputs ('fix the basics') that were not scheduled to be completed until December 2021.

Table 4 - Customer Service Strategy deliverables within the time period of tranche 3 (January 22- January 23):

Commitment	Timeline
A Customer Focussed Council	
Our contract with you We will develop a customer charter, setting out the customer service standards you can expect from us.	May 2022
Communicating change We will launch an annual customer services communications plan	January 2022
Owning customer service We will ensure that all 11,000 of our staff have completed customer centricity training	December 2022
Giving you a voice We will launch customer service panels, for citizens, young people etc	August 2022
Testing our services We will recruit and launch our first mystery shopping teams	August 2022
Understanding you We will use publicly available data sets to really understand the make-up of those in Birmingham and use this information to help shape our services	December 2022
A Connected Council	
Getting our information right We will review and update information and materials we provide about our services on our website	September 2022
Speeding up your frequent tasks We will identify the top 50 service requests and prioritise digitising them, with many to be available online	August 2022
Helping you stay on top of things We will be able to send you simple reminders for your appointments	June 2022
A Smarter Council	
Redesign our customer service set up We will create a new team to provide earlier support and intervention, bringing together the parts of the Council providing the top 50 targeted and specialist services	January 2023
One view of you We will develop our single view of you, sharing data safely and securely across the top 10 service areas.	December 2022
Keeping you informed	December

We will identify the top 5 activities you would like to know about in your area (e.g., planned roadworks) and trial pre-emptively tell you, by text or email	2022
A Connected city	
Signposting for you We will identify the top 50 non-Council service requests and ensure we prioritise and signpost to them on our website	March 2022
Easy searching We will improve search capabilities on our website, so it is easy to find the right service provider for your needs	March 2022
Asking you to help out We will trial using digital technologies with a first cohort of 10 citizens, linking them to family and friends who can help with their care	January 2023

6.2 The programme will adopt an agile approach and will seek to implement the strategic objectives above with some of the identified business cases from the first tranche of the programme. The individual projects will be prioritised for delivery into the programme based on the value they bring to the Council as outlined in the EBC. Three delivery teams will be established to build solutions that are designed collaboratively with real users of that service. Teams will be timebound to solution delivery to ensure that the programme remains on track and getting solutions into people's hands quickly to test and iterate swiftly. A change team will support and embed the solutions into service areas as well as report back the benefits that have been realised as a result of the change.

6.3 **Fixing the basics** - finalisation of the Quick Wins & Early Momentum outputs ('fix the basics') that were not scheduled to be completed until December 2021.

7 Options Considered and Recommended Proposal:

7.1 The options and approach to the cost savings have been agreed with the Services in principle and will be further validated as part of the implementation in tranche 3. Projects will be prioritised into the delivery schedule based on their level of savings and how quickly they can be delivered.

7.2 The option of not completing the programme has been considered and discounted as this would have significant customers and organisation impact for the following key reasons:

- Satisfaction with Council Services would not improve and our reputation for providing services would continue to worsen
- The capabilities identified and the subject of the business cases have utility capability that can be used multiple times and are required for the modern relationship with customers and implementation of the new strategy.

- The savings are contributing to the stretch target of £10m associated with Digital and Customer Services and cannot be achieved without the programme implementation.

8 Consultation

- 8.1 The Leader, Cabinet Member for Finance and Resources, and Chair of Overview & Scrutiny Committee have been consulted.
- 8.2 The EBC was informed by consultations and engagements with stakeholders across the Council including, but not limited to:
- Council Leadership Team
 - Customer Service Programme Board
 - Officer Consultation regarding Finance, Legal, Procurement, HR, Communications.

9 Risk Management

- 9.1 The ongoing risks will be managed in tranche 3:

Table 5 – High level risk management

No.	Description	Impact	Mitigation
R10	There is a risk that services' lack buy-in and engagement to adopt the strategy and that new processes will not realise benefits in line with the programme's aims.	High	Service commitment to providing an appropriate level of internal resources to support work across all services in-scope for redesign will be sought. A detailed time-based resource plan will be provided in support of this request. Corporate Governance has been established via the Customer Service Programme Board.
R11	There is a risk that cashable savings will be absorbed as service efficiencies if they are not clearly defined for each programme area.	High	The cashable savings which must be attributed to the programme are detailed in the existing the eight MVP Business Cases. A status breakdown per business case and service commitment is provided in the Enhanced Business Case.

R13	There is a risk that an appropriate level of resources will not be dedicated to the programme resulting in it being unable to deliver at pace or with the necessary momentum.	High	The programme has set aside specific budgets to second staff over to the programme and support with delivery. Backfill arrangements shall be confirmed in advance of commencement. Regular monthly meetings held with the Finance Business Partner updating on spend to date and forecast for the programme lifespan.
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9.2 These risks are incorporated into the programme risk register and are regularly managed/mitigated.

10 Compliance Issues

10.1 The recommended decisions are consistent with the Council's priorities, plans and strategies, supporting the Council's stated commitments to ensure we are a truly customer centric organisation.

11 Legal Implications

11.1 The Council is under a duty under Section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness

11.2 The City Council will carry out this work under the General Powers of Competence Section 1 of the Localism Act 2011.

12 Financial Implications

12.1 Total forecast spend on the programme is £0.754m per section 6.1 above. This was funded from a total budget of £0.800m.

12.2 To date approximately £5.9m worth of potential savings have been identified against a total programme target of £10.7m. Ongoing annual savings of £1.7m of this £5.9m has already been validated and is ready to be progressed to delivery stage with the remainder requiring further validation work. Investment of £1.7m will be required over the next 12 months to deliver the validated savings. This excludes the cost of any ICT hardware/software deployment which will be addressed as part of the automation and customer journey improvement programme.

12.3 Further work will also need to be carried out to identify the additional savings of over £4.8m that is required to meet the total programme target of £10.7m over the next 4 years and the investment required to do this will need to be approved by Cabinet in due course.

13 HR implications

Any required changes to current job roles or current operating model will be done so in line with Birmingham City Councils Policies and Procedures, incorporating a full engagement/consultation process with Trade Unions and employees. All new roles will be recruited to in accordance with Birmingham City Councils Recruitment and Selection Policy and Procedure, supporting Birmingham City Councils commitment to mitigate against compulsory redundancy where possible, any new roles will be prioritised to employees at risk of redundancy.

14 Public Sector Equality Duty

- 14.1 14.1 An Equality Impact Analysis has been completed and is attached at **Appendix D.**

15 Background Documents

- 15.1 Report to Cabinet dated 19th January 2021 – “Investing in our Future - What Birmingham City Council needs to do next: 2021 to 2026”
- 15.2 Responding to Our Customers report “ A report to full council” 3.11.20
- 15 Appendices:
- 15.1 A – Customer Service Strategy
- 15.2 B – Customer Service Strategy Customer Engagement
- 15.3 C – Enhanced Business Case
- 15.4 D – Equality Impact Analysis