**Business Case Lite – Luton Transformation Programme**

**Project Information**

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| **Project Title** | Residence Experience |
| **Portfolio Tracker ref** | *RX-003* |
| **Current Stage / Gate:** | *Stage 0: Opportunity Identified* |
| **Project Sponsor** | TBC |
| **Project Lead** | TBC |
| **Transformation Theme** | Resident Experience |
| **Contributory Transformation Theme(s)** | - |
| **Department and Team** | Customer Service, Digital and whole organisation contribution |

*There is an opportunity to create a Target Operating Model for customer access,* *moving transactional services online and saving officer time through automation and eliminating re-keying and decision making. Through understanding the model and having the technology to support residents, LBC will be able to gather data that enables it to better understand customer need and behaviour and will drive service improvements.*

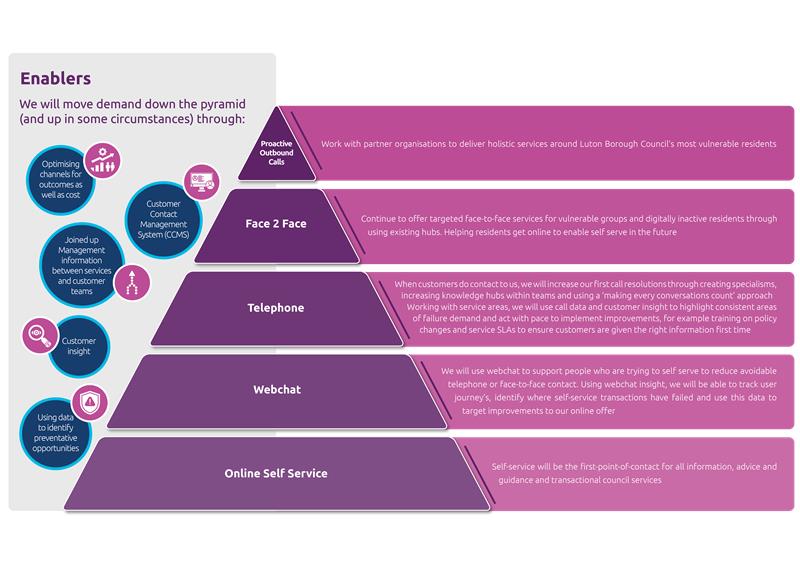
**Scope of Project / Opportunity**

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| **In scope** | **Out of Scope** |
| All customer facing services | Childrens and Adults MASH (although customer access for acute services could be within scope, no changes will be made to the service provision itself) |

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| **Linked / Complementary OBCs** |
| Service Optimisation  Service Integration |

**Objectives**

* Review and implement the right Target Operating Model (TOM) for Luton's residents. Create an organisational vison for customers, alongside a set of service standards with a view to protect the customer experience, report, track and monitor customer journeys to highlight continuous improvement opportunities.



*Example of a TOM for LCB*

* Create the vision and governance for customer contact in the organisation.
* Review and maximise the current systems (D360) for automation opportunities, saving officer and resident time - review capability to act as a single CRM to provide insight and readily available information to assist customers.
* Scope opportunity for the use of My Account/Customer Portal functionality to enable residents to check progress, upload documents and request services with a view to reducing any paper billing and correspondence. Any system would require the benefit of updating residents through a channel of their preference including SMS.
* Scope the requirements to develop Inclusive Economy services – automate and integrate with business applications, registrars, licencing, waste, highways, parks, streetlighting, community centres, and transport.
* Create detailed requirements/cost for Digital team that can deliver the recommendations and ambition of LBC to:
  + Create user friendly customer journeys
  + Increase efficiency – through automation, reduced paperwork and eliminating duplication
  + Ensure digital services can be accessed anywhere and through any device
  + Improve user experience – designing services to be user centred and intuitive
  + Be data driven
* To scope the requirements of a contact centre telephony based on the TOM for customer access, to potentially include:
  + Omni channel experience
  + Workforce optimisation tools
  + Prioritisation routing
  + Future AI and self-service options
  + Reporting functionality to better inform service performance
* Understand the data and analytic requirements to be able to understand resident needs, preferences and behaviours, to design services that meet their needs and create service improvement opportunities – in essence a customer insight facility.
* Review the F2F to ascertain best value for money alongside if hard to reach communities are being adequately supported.
* Refresh the current digital inclusion plan to reflect any changes in operating model.

**Assessment of the Current Position**

* Luton’s customer access is predominantly through the customer service teams with over 310,00 telephone calls offered, 4,311 face to face visits and 60,674 online forms/emails submitted.
* The customer services team has 76 people in it, costing c.£1.9m
* There is no current understanding of any other contact that is coming into the organisation straight into departments.
* Luton has over 2.3m visitors a year to the website.
* Digital transactional access is limited with online forms being the main digital route, there is no direct integration from any of the webforms with any of Luton's LoB (line of business) applications, often presented as structured emails or PDFs that then need rekeying by officers. No automation requires officers time to make decisions and often contact the customer again.
* The Digital team lack the technical knowledge, capability and capacity to further automate digital transactions
* The digital teams focus is on operational activity including (web) content update, accessibility and online forms. A new website and content redesign project is underway following a review and recommendation by CogWorks. Development of digital projects has been limited to smaller service integration processes.
* The Target Operating Model for customer access, strategy or a work plan to deliver against resident expectations has not progresses due to barriers in automation and lack of investment.
* The customer service team are delivering best in class proactive outreach with some significant benefits to residents (see Proactive Contact OBC).
* Customer satisfaction has only just begun to be measured with promising results although too few to validate currently.
* Performance is struggling, especially in areas that have been impacted by external influences, such as Council Tax and Benefits. Between Aug 22 – July 23 311,236 calls were offered and 229,489 were answered, leaving over 24% of calls abandoned. It should be noted that there are also vacancies within the team that have been unable to be recruited to.
* There is also a separate Repairs team and MASH team that receive calls from customers. Repairs contact centre have a higher performance rate than the corporate CSC, however they do not have the same vacancy and resourcing challenges. Anecdotally, they say they get calls for other areas that residents say they cannot reach, such as housing officers and access to housing lists.
* The welfare benefits team perform outbound contact to ensure residents are in receipt of all their benefits entitlements – recently contacting pensioners and currently working with carers. This has had great success (see Proactive Contact OBC).
* No single view of the customer is obtainable with officers working on legacy systems, with no central CRM that enables process flows and case notes.
* There is a need for a corporate booking system to support community centres, MOT, waste services (tip permits/bulky item collection), parks/sport pitches. Currently residents complete an online form and officers then check the request against their records (a calendar/spreadsheet) and call back to confirm or suggest alternative.
* There is no customer insight function for real time contact, progress chasing, reason for contact, multiple contacts across the organisation to develop continuous service improvement opportunities. Services are cross charged for their contacts, anecdotally this is not lending itself to a one team approach to resolve and improve things for residents.

**Proposed Changes**

* Review and implement the right Target Operating Model (TOM) for Luton's residents. Create an organisational vision for customers, alongside a set of service standards with a view to protect the customer experience.
* Create the vision and governance for customer contact in the organisation.
* Review and maximise the current systems (360) for automation opportunities, saving officer and resident time.
* Refresh the current digital inclusion plan to reflect any changes in operating model.
* Create detailed requirements/cost for Digital team that can deliver the recommendations and ambition of LBC to:
  + Create user friendly customer journeys
  + Increase efficiency – through automation, reduced paperwork and eliminating duplication
  + Ensure digital services can be accessed anywhere and through any device
  + Improve user experience – designing services to be user centred and intuitive
  + Be data driven
* Opportunities for savings and investments have been made based on the following assumptions:
  + Investments to be reviewed to incorporate the requirements in digital skills, any procurement of technology versus optimising what is already in situ – for example 360.
  + Investment will require skills into digital roles – this could be up to as much as £400k However, this could be offset against the current digital team – savings will increase with time saved in services through duplicate keying, handling non-complex requests and full automation.
  + Savings need to be verified based on transactional services being moved online, reduction in back-office intervention and duplicate keying. This will be delivered on a process-by-process basis for efficiencies to be identified and allocated to relevant budgets.
  + For example, assuming an online form requires 5 minutes of officer intervention to decision make and add details to a legacy system. 48,509 forms equate to 546 working days which is 2.5 FTE working full time to process forms; if this took 10 minutes per form, naturally this would equate to twice the number of FTE.
* Savings are expected to come from:
  + Process and Demand management improvements (staffing).
  + Centralisation of customer access through contact centre, but primarily through online, self-serve tools. Creating better online activities such as producing evidence, making booking and paying for services – eliminating the need for officer intervention.
  + Reduction in call handle time, through better access to case notes and process improvements.
  + Through using customer insight, measuring satisfaction and committing to understanding user needs, there will be service improvement opportunities that will reduce complaints and avoidable contact from residents (as a benchmark, Northumberland £180k savings).
  + Self-service opportunities and status updates through a customer portal, reducing avoidable contact and progress chasing (for example, Durham County Council achieved £250k in annual savings by launching a self-service portal).
  + Reducing and eliminating duplicate keying for officers through automation.
  + Digital team redesigning processes end to end and identifying efficiencies to reduce paper usage, printing, and postage, as well as saving time and improving resident experience (As a benchmark, Central Beds propose to save 1.3FTE per process redesign)
  + Reduce face to face activities – such as presenting evidence through better online facilities. Figures from industry body SOCITM put the cost of a face-to-face interaction in local government at £14, falling to £5 for a telephone call, and 17p when handled digitally.
  + £654k represents savings that will come from across the organisation via the efficiencies identified above.

**Opportunity Qualification**

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| **Criteria** | **Rating** |
| Financial Benefits | *£454,000* |
| Effort / Easy of Implementation | *3* |
| Impact (financial and non-financial) | *4* |

**Financial Delivery**

One off Investment required and savings

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| --- | --- | --- | --- | --- | --- |
|  | **23/24** | **24/25** | **25/26** | **26/27** | **Total** |
| **One-off Investment** | - | - | - | - | - |
| **One-off Savings** | - | - | - | - | - |

Investment required and savings delivered:

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| --- | --- | --- | --- | --- | --- |
|  | **23/24** | **24/25** | **25/26** | **26/27** | **Total** |
| **Recurring Investment** | - | £200,000 | - | - | - |
| **Recurring Savings** | - | £218,000 | £218,000 | £218,000 | £654,000 |
| **Net Savings** | - | £18,000 | £218,000 | £218,000 | £454,000 |

Note: This saving is categorised as a ‘Budget Saving’, any ongoing investments will be made upfront and should be netted off by the conservative savings estimates provided.

Note: Dependent on where the savings are made, there may be an overlap with the Corporate Business Support OBC.

Note: the £200k investment is estimated based on the total cost of the digital team to support the transformation described will be £400k p.a. Reprofiling other resource as part of the ICT insourcing project will fund approx. 50% of the new team, with the reminder recommended as a new investment in order to make a net saving.

**Finance’s Validated Figures:**

Finance have validated the figures in the table below based on part year effect (50%) and savings delivery confidence (30%), resulting in confidence in 15% of the total proposed savings for 24/25.

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| --- | --- | --- |
|  | **23/24** | **24/25** |
| **Recurring Investment** | - | £200,000 |
| **Recurring Savings** | - | £32,700 |
| **Net Savings** | - | - £167,300 |

The Transformation Programme and the MTFS may reflect different figures.

**Non-Cashable Benefits**

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| **Benefit** | **Description** |
| **Customer Experience** | Ensure the right channel for every resident, increase speed of response and meet expectations. |
| **Employee Experience** | Easy to see information about residents, eliminate rekeying and duplication. Clear processes. |
| **Productivity** | Eliminate wasteful workarounds and rekeying of information.  Reduce officer time on non-productive activities. |
| **Social** | - |
| **Economic** | - |
| **Environmental** | - |

**Resources and Stakeholders**

The following summarises the team, and wider stakeholders involved in the project:

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| **Direct Team** | Human Engine, LBC Transformation Team and Customer Services |
| **Stakeholders – Governance and Decision Making** | Customer Services, Digital Team. All service area representation. |
| **Stakeholders – Customers / Beneficiaries** | Residents, Internal Council teams. |
| **Stakeholders – Providers / Delivery Teams / Partners** | Digital Team, ICT, Customer Services |

**Risks**

The following top risks should be considered for this project:

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| **Ref** | **Risk** | **Likelihood** | **Impact** | **Total** | **Mitigations** |
| 1 | There is a risk that technology improvements will be de-prioritised, delivered after the ROI period due to the rehousing of IT. | *2* | *4* | *8* | Design a programme of work that delivers the non – technology elements of the TOM for customers whilst ensuring the foundation for digital access/automation are laid. |
| 2 | There is a risk that savings will be assigned to front line services due to expected channel shift, resulting in fewer calls. With performance already struggling this could worsen. | 2 | 4 | 8 | Ensure that any process that is moved online is process mapped correctly and back-office efficiencies are captured and factored into any cashable savings. |
| 3 | There is a risk that any investment costs will be higher than any forecasted savings and make it unappetising for decision makers. | 3 | 4 | 12 | Create the ambition and future benefits for residents and officers of automation opportunities. |
| 4 | There is a risk that any systems/automated processes will not be given the required level of resource to maintain and iterate. | 3 | 4 | 12 | To present a clear case for resource required to maintain, iterate and improve with the associated benefits and risks of not doing so. |

**Critical dependencies, constraints, assumptions**

* There is a dependency on a system that will capture data, however, there also needs to be resource and commitment to translate this into actionable insight.
* There is a dependency on ensuring there is a culture of acting on customer insight and feedback, albeit with iterative improvements or whole service redesign.
* There is a critical dependency on the organisation adopting the Target Operating Model and the associated governance and projects
* There is an assumption that digital access will require the most investment. Previous recommendations have not been fully adopted; therefore, it is likely a separate business case for Digital will be developed.

**Timetable – Key Activities and Milestones**

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| **Stage / Gate target milestones** | **(Target) Date** |
| Gate 0: Decision: Progress Opportunity | Oct 23 |
| Gate 1: Decision: Outline Business Case | Dec 23 |
| Gate 2: Decision: Full Business Case | April 24 |
| Gate 3: Decision: Investment Decision | May 24 |
| Gate 4: Decision: Go-Live / Handover to BAU | Nov 24 |
| Gate 5: Decision: Benefits Review Complete | Nov 25 – ongoing |

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| **Project Deliverable** | **Start** | **Finish** |
| Staff survey to gather information on how and when customers are contacting services, what is working well and where improvements are required | Nov 23 | Jan 24 |
| Co-Design a set of set of design principles to test with LBC colleagues, members and residents – build service standards to reflect these | Dec 23 | Feb 24 |
| Review TOM and test principles, governance and service standards against output | Nov 23 | March 24 |
| Identify the digital requirements (skills, systems, development) to deliver self-serve, automation and service re- design | Nov | March 24 |
| Identify the projects necessary to achieve the new operating model | Nov 23 | March 24 |
| Build full business case/s - Likely to become a programme of work to differentiate channel, with high investment/resources required in Digital | March 24 | April 24 |
| Prioritise the programme into projects | April 24 | May 24 |
| Consultation and delivery of any restructure, recruitment and define roles and responsibilities | May 24 | Nov 24 |

**Approvals of this Savings Delivery Plan**

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| **Name** | **Role** | **Date Agreed** |
| TBC | *Project Sponsor* |  |
| Nikki Middleton | *Head of Service* |  |