CITY OF
YORK
COUNCIL

Urgency Committee   **3rd August 2007**

Report of the Easy@york Programme Director

Easy@york Progress report and options for Phase 2

Summary

1. This report sets out the early outcomes of the first phase of easy@york, provides an analysis of the early benefits that have been achieved by the programme and gives an indication of some of the lessons already learnt. It also makes the case for a second phase of the programme and presents options to extend the reach of the current York Customer Centre and to establish a single, one-stop shop for face-to-face contact in the Hungate Building by 2010. The report presents high level costs for a future phase and options on how this can be funded.

2. The report is urgent as a decision cannot wait until after the summer recess. A delay would lead to a significant hiatus in the programme which would both delay work on phase 2 and potentially threaten the move into Hungate in 2010. In the short term the Programme Team are largely employed on short-term contracts which are approaching their end date. They may leave if there is no commitment to a second phase and this in turn would lead to a delay in commencing phase 2 and a loss of vital skills and experience.

3. The Programme is designed to: -

    - Make services more efficient and cost effective

    - Improve Customer satisfaction with access to our services

    - Ensure that the move to Hungate can be practically achieved

    - Improve the delivery of end-to-end services and thus have a broader impact upon both citizen satisfaction with the city and economic development (e.g. cleaner streets will promote the city to tourists).

    - Increase citizen participation/community involvement by making the Council more transparent and accessible and developing two-way communication channels.

    - Make a significant contribution to the performance management agenda highlighted in the current White Paper.

Background

4. This is achieved by opening up new ways of communicating with customers, by developing a new customer contact service and by redesigning and rationalising business processes, all underpinned by the use of technology. The easy@york programme has delivered a first phase of services which include: -

    - York Pride Action Line – Street Cleansing, Refuse, Pest Control, Bulky Goods Collection, Highways, Street Environment, Abandoned Cars
    - Switchboard
    - Planning and Building Control
    - Revenues
    - Housing Benefit and Council Tax Benefits (still in development)

5. The easy@york programme was the Council's response to both the e-government targets set by central Government and to our own assessment of customer access arrangements across the Council. During a Best Value review of access to services, customers told us that: -

    - They wanted more ways of contacting the Council i.e. phone email internet and SMS etc
    - They want to be able to get through to us when they phone
    - They wanted extended hours of access
    - Their preferred method of contact was the phone
    - The majority would consider using the internet in the future
    - They found our 13 City Centre reception points confusing and inefficient
    - They found the Council organisational structures confusing and silo based and wanted better signposting of services
    - They wanted more efficient and joined up services.

6. In response to this we developed a CYC Customer Access Strategy and the easy@york Programme to deliver a series of wide ranging improvements. Face to face contact was initially in scope but as the programme became more defined it was decided that there was insufficient space in any existing buildings to coherently achieve this and so it was decided to focus on telephone and web access channels.

7. An important driver for easy@york has always been the efficiency agenda. The Council's financial position means that we have to get the most out of all our services and the programme has given us the ideal opportunity to deliver efficiencies. The Programme has developed a service improvement methodology which uses a systems approach to identifying the key outcomes for each service. Using detailed analysis of performance data, drawing on the experience of existing staff and applying external challenge, we have redesigned processes and configured the new technology solutions to make these processes faster, more accurate and more responsive. This has already led to some efficiencies. Staff are still becoming accustomed to working in these new ways and further improvements are expected.

8. Easy@york was also CYC's response to the targets set by central government to achieve e-government, the electronic enablement of services. Though we successfully achieved the BVPI 157 target of e-enabling 100% of services by December 2005, we decided that we did not want to create a veneer of technology

and processes that did not add real value to the customer experience and could make us inefficient. Our approach was to take a long term joined up view of what e-government could do for the city and to undertake a fundamental redesign of our delivery of services to customers. This involved improving processes and using technology to open up access and make services faster and more accurate. This approach has, over time, been vindicated, as e-government has become "t-government" (transformational government). Central Government have now created a strategy for the long term transformation of public services which seeks to: -

- Design Services around the citizen or customer

- Release efficiencies by standardisation, simplification and sharing of services

- Improve Government delivery of technology enabled change

9. The approach taken by CYC in the easy@york programme is clearly consistent with the new t-government approach. Many authorities started out by developing one-stop-shops and Contact Centres, implementing interactive web sites and CRM systems. What we are now increasingly seeing is a number of authorities going back and integrating their front end customer services with their existing back office businesses, changing business processes and linking IT systems together. This model of transformation is rapidly becoming the ideal way forward and York are now at the forefront of this developmental trend. Further detail of the national picture is set out in Annex 5, along with case studies of how this approach has generated savings in other authorities. Other authorities currently adopting the same approach as York are: -

Birmingham CC   Leeds CC   *Bromley LB*   Preston CC

Rotherham MBC   East Riding   Hillingdon BC   Bradford MBC

Waltham Forest LB Wirrall MBC   Liverpool CC   Tees Valley

10. In summary, customer expectations are changing and our customers are demanding more from all our services. Government strategy is evolving towards the delivery of end to end transformation of services centred around the customer, technology is offering us increasing options to change the ways we work and the Council is itself setting out its ambitions to embrace this agenda

11. The move to Hungate is dependent upon a second phase of easy@york. The design of Hungate is based around a one stop shop where all customer contact will be centrally managed. Without easy@york this will be impossible and the Hungate building will not be able to function properly. In addition the recent announcement that targets for efficiency savings will rise from 2.5% to 3% p.a. and there is an assumption that this money will be taken directly from our annual finance settlement from 2008/9. Easy@york is central to identifying opportunities for efficiencies.

Easy@york

12. A four phase Programme was agreed in principle by members in 2005 but funding was only endorsed for the first phase. At this time an outline plan was proposed that set out three further phases of delivery, incrementally introducing telephone, email and internet access to additional services via the York Customer Centre, concluding

in a final fourth phase which would see the introduction of face to face contact for all Council Services in the Hungate Building in 2010.

13. The first phase was further subdivided into: -

Phase 1a – Achieve Implementing e-government targets by end 2005 (IEG)

Phase 1b – Establish the York Customer Centre (YCC) and the new web site as the single point of telephone and electronic access to deliver deep service transformation for York Pride Action Line services and Planning and Building Control. In addition, some wide services such as signposting of calls (previously Switchboard), income collection, complaints and some information provision would be delivered for the whole Council.

Phase 1c - Incorporation of the Revenues and Benefits service into the YCC.

14. In 2006 we contracted with Logica CMG to be our solution provider to help us to develop detailed process designs and configure these into a technical solution. This solution is an integrated suite of IT systems that gives us a strong, robust and expandable architecture that we can exploit in the future. The solution comprises (further detail is attached in Annex 1):

- Customer Relationship Management System (CRM)

- New web site and Content Management Solution (CMS)

- Geographical Information System (GIS)

- Integration hub to establish a single person and property data set for the entire Council and dynamically link this to the CRM and also use this to connect up back office systems

- Contact Centre Telephony solution

- Online e-consultation package

- Online Planning System

- Online Schools Admissions System

15. In addition to the services of our suppliers, we established a dedicated Programme team to develop, define and deliver a broad range of changes to working practices, organisational structures, policy refinements, technical designs, implementation, testing and training activities. The changes that the programme has brought about have touched every area of the Council but have brought significant change in Resources, City Strategy and Neighbourhood Services. The Programme Office has seconded staff from Resources and Chief Executives and has also recruited dedicated staff to provide the required level of skills and experience to deliver an ambitious programme of multidisciplinary change in a structured and controlled environment, utilising the Office for Government Commerce (OGC) Managing Successful Programmes (MSP) methodology.

Achievements to date

16. We have successfully delivered the majority of phase 1. Costs of phase 1 are set out in Annex 2.

Dec 2005	Met the BVPI 157 target of 100% of services e-enabled
June 2006	Established the York Customer Centre
Sept 2006	Go live of e-consultation system
Oct 2006	Go live of Online School Admissions
Feb 2007	Go live of new web site incorporating the Planning Portal
Feb 2007	Launch of phase 1 services in the YCC using new processes and technology
Mar 2007	Part of Revenues service goes live in YCC
April 2007	Web site became interactive
June 2007	Launch of more self service forms on the web
July 2007	Rest of Revenues Service goes live in YCC and on web
August 2007	Implement telephone menus system
Tbc	Benefits service goes live in YCC and on web

Implementation Issues

17. As a result of a huge preparation and implementation effort the Go live in February went very smoothly and we are now starting to see some real improvements in service and some efficiency gains though it is early days and we need to embed the new ways of working before taking these savings out of the budget. There are still some technical and business process issues being resolved post implementation. A review is underway to refine the service and define new measures of customer service. The Customer First target is very simplistic as it only measures the % of calls answered within 20 seconds. In a contact centre, more importance is placed upon processing the customer's request and dealing with their contact effectively in one go rather than on simply answering the phone as quickly as possible. The proposed new measures will concentrate upon

- Answering a greater % of all calls presented

- Answering calls in a reasonable time whilst ensuring we are not over resourced

- Quality of service e.g.

- ability to deal with requests in one call

- Ability to deal with call then and there

- Customer satisfaction with the handling of the call.

Benefits Realisation – Phase 1

18. The YCC service has only been running for 5 months (and is still evolving) so statistical analysis should be treated cautiously and reviewed regularly as processes become embedded and seasonal trends appear. However the headline results are very promising. At this stage it is important to match up the early outcomes of the programme with the improvements (benefits) that we set out to achieve. They fall into two main categories.

   - How effective have we been in delivering the Customer Access Vision?

   - How effective have we been in driving out the service improvements that we identified for each service area?

19. It is important to understand that in driving out business changes in this way, you will reveal any masked weaknesses that may have existed in the service already and we are already uncovering significant unmet demand – services were previously quite difficult for customers to access and hence they did not contact us. Now that it is easier to access these services, the volume of service requests have significantly increased.

20. Initial baseline information from each service about how it used to operate has been difficult to validate as it has often been drawn from multiple systems or manually collated. Our view of services before they were changed was skewed by the impact of inconsistent processes and contained significant amounts of unnecessary and repeat work being created through failure of one or more stages in the process. Only since we implemented the CRM have we been able to reliably report on many of the key performance indicators relating to customer services. That in itself is a significant benefit.

21. During the first year of running we project that easy@york phase 1 will handle over 2.5 million customer transactions (of which 0.9m will be require a Council response/action). In the past these transactions would have been spread across all directorates and it would have been impossible to report on the activity as a whole.

   - 581,820 Customer phone calls

   - 32,500 emails

   - 12,000 e-forms

   - 23,000 Phone and web payments taken

   - 1.6 million Web visits

   - 215,000 web transactions

22. Better quality and more accessible Customer Services

a. 99% of YCC customers are satisfied with the service received from the YCC.

b. 67% of customers are satisfied with the council's website

c. Switchboard call volumes have dropped by 23% since the service transferred into the YCC as calls are now answered first time creating fewer repeat calls and measures have been taken to reduce unnecessary calls. This equates to a saving of £26.6k.

d. Calls left on the anwerphone are down from 9.4% to 0.2%. These calls give rise to outgoing calls – saving of £7k per year. Customers are more satisfied when they don't have to use an answerphone.

e. Reduced % of calls that were unanswered by the Back office - 40% of all calls to the Switchboard were unanswered and bounced back to the switchboard. This is down to 3.1%

f. Of these 18.7% of all calls could not be successfully redirected and were not answered at all. This has reduced to 0.02%

g. Significant use of web site – 701k visits from 477k visitors since it went live in February. Projected to be 1.6 million visits per year.

h. 88% reduction in YPAL complaints – down from 2352 per annum to 68 in three months e.g. 272 per annum

i. Customers able to use e-mail and e-forms to contact us twenty-four hours a day, seven days a week (24/7). We have processed 5526 emails and 679 online e-forms since go live. 11 forms are now live but not advertised yet and it is expected that usage will increase significantly when we promote the forms. The Government white paper on Strong and Prosperous Communities indicates that the cost of a face-to-face contact is approx £16.20 whilst web contacts cost just £0.12. Even with relatively low initial volumes of e-forms this would give rise to an annual saving of £57k, though these savings are not realisable where demand from customers has risen

j. 7.2% of all customers now raise more than one service request thus reducing the number of calls they need to make to us.

k. Back offices around the Council are reporting the improvement in the quality of the information that is captured by the YCC. This prevents time being wasted in chasing up service request and results in a better customer experience.

l. Council policies on service delivery standards are now applied consistently so customers know whether their request can be fulfilled, whereas in the past this was not the case

m. Services are now more responsive - The transfer of decision making to the front office means that customers are told when their service request will be actioned and can get real time progress reports. Urgent calls are escalated as soon as they are received.

n. Managers in the back and front office can see when work is about to breach the Service level and take remedial action.

23. **More Efficient services**

   a. YPAL handling 6% more calls and between 2.1% and 9.8% more service requests using the same resources.

   b. £46k pa saving on staffing in Revenues. Processes are more efficient and new staff structures are flatter. Two posts deleted - admin assistant and junior manager.

   c. Processes have fewer steps, no unnecessary review and inspection activities, no time wasted whilst we batch jobs for despatch to the back office, which are then printed and distributed individually. Jobs are now deployed to the back office in real time and better work management and reporting assures that work is flowed and processed more rationally

   d. Web payments – over 10,000 self-service payments taken in the last year which equates to £16k saved processing time.

   e. Fully Automated Telephone payments introduced – 350 payments a month which equates to £7k per annum reduced processing time. This is without any promotion of the service.

   f. Income Collection done before work is undertaken so no invoices and debts are raised. 156 pre-payments are being taken per month and if each invoice costs a nominal £25 to process we will save £47k per year, in addition to the reduction in the cost of chasing and writing off debts and cash flow benefits.

   g. Internal use of Speech Server to connect internal calls – 856 calls a day, which equates to 1 full time member of staff - £25k pa.

   h. 17,000 visits to the Planning Portal each month – over 200,000 customer contacts are now undertaken via self-service with no need for a visit or a phone call.

   i. Online School admissions used by 3,500 parents and guardians. 25% of all secondary schools admissions were handled on line (national target 5%) with 99% of customers rating the service as good or very good. Though no savings made (manual system still in use) the system has enabled us to provide statutory returns that would have required 2 additional posts to fulfil manually thus £50k of growth avoided.

   j. E-consultation system used by 2196 respondents for 7 surveys. The largest of these were internal surveys.

   k. New containers – 41% of customers collect the bin themselves saving the need for a weekend delivery giving rise to a £14k pa overtime saving.

   l. Number of YPAL Service Requests left open on the system has reduced from 7% to 0%. All calls are now actioned and signed off.

   m. Reduced the number of calls from customers phoning up after receiving a 1471 message. This used to account for 10% of all calls to the switchboard. Saving of £11k.

   n. The YCC has more capacity than the previous varied mini call centre arrangements and is able to plan to handle exceptional demand created by campaign activities and to handle seasonal fluctuations in demand such as Council Tax Billing.

24. **Service Improvement Through Faster Processes**

   a. Bulky goods are now picked up within 4 days of the job being booked, a 93.5% improvement on the previous performance of 53 days. 25-30 collections are made each day.

   b. Abandoned cars are now picked up within 5 days rather than 6, a 16% improvement.

   c. 92% of all service requests have been undertaken within SLA timescales. 95% are undertaken within a day after the service level target.

   d. 100% of all urgent cases have been dealt with within SLA (Streetscene and Highways jobs that require a one or two day response).

Customer Satisfaction Surveys

YCC

25. During July a Customer Satisfaction surveys was undertaken with 504 customers to assess the performance of the YCC and the web site. The Survey shows that 99% of customers are very satisfied or fairly satisfied with the overall service of the YCC. 100% of customers were satisfied with the person taking the call and 92% were satisfied with the speed at which their call was answered. Of the comments received 68% related to the YCC and of these, 67% were positive. The remaining comments related to both the final delivery of the service being requested and some dissatisfaction with the level of service provided by the Council and the level of Council Tax. A sample of the comments is set out below.

- *"Service was exceptional and very friendly"*

- *"By comparison customer said it had taken him six days to get through to BT and 4 days to Npower and we were a breath of fresh air"*

- *"Fantastic service, if everyone in the council was the same we would be a wonderful organisation"*

- *"Customer called back to thank all regarding case 1055979 as the pavement was defective with pothole and this has been looked at within a day. He is very happy with the service and very impressed as workman there attending to the hole as we speak."*

- *"Contacted us last year and the service was excellent this time in comparison"*

- *"Waited too long to get through"*

- *"Has experienced delays in the past trying to get through to council tax"*

- *"Happy with call centre but not happy with council service of 3 week wait"*

- *"Would like a more specific time for Pest Control bookings as cannot afford to take all morning of work - would have preferred an hour slot if possible".*

- *"Not happy as does not have full recycling service"*

- *"Only moved last August, everything they have had to do with the local authority has been very satisfactory, thank you."*

26. 5% of customers were dissatisfied with the wait time and this was supported by anecdotal comments as well. There are currently teething problems in dealing with demand at peak times and some customers are having to wait for the YCC to answer their calls. In response to this, an action plan has been developed to speed up the handling of signposting calls and ensure that we utlilise all the capacity in each staff skill group within the YCC. Changes made have already resulted in radical improvements to wait times and we are now achieving the target of 95% of calls answered within 20 seconds and answering over 99.9% of all calls presented.

27. However the most significant issue is that we have been running for over a year without introducing the telephone menu systems as originally planned. This means that we are manually signposting 200,000 calls a year that could be fully automated. In order to free up capacity within the YCC, plans are in place to implement a very simple menu to automate calls where the customer knows the name or the extension of the person they want talk to so that staff time can be spent more productively, handling customer service requests. This will go live in August after testing with key consultees.

Web Site Survey

28. In a recent survey of 100 users of the Council's web site,

- 69% of the sample were satisfied with the site with 16% dissatisfied

- 76% of customers found the e-forms were easy to use

- 90% of users are likely to use the site again.

- Satisfaction with various aspects of the site ranged from 55% (search engine) to 81% (value of the information)

- 18% of users said that they did not find what they were looking for and 24% were dissatisfied with the site search so further qualitative research will need to be undertaken to identify if there are any gaps in content and to explore the search engine and linkages between content to improve in this area.

- 100% of users of the online payments were satisfied and believed that the service should be promoted more heavily.

- 56% of users indicated that they would have phoned the council if they had not used the website

Realising Efficiency Savings

29. This is a very early attempt to calculate the efficiencies of the first phase of the programme and over time it is expected that the improvements will both become clearer and increase. The **overall efficiencies generated by the first phase total £307k pa** and this is broken down in Annex 3.   Some of these improvements manifest themselves as: -

    • Improved the quality of services to customers

    • Cashable Savings where expenditure can be shown to have reduced

    • Increased capacity to handle more work for the same budget

    • Released capacity to address current backlogs

    • Released capacity to meet an increase in uptake of services due to improvements in availability, accessibility or quality.

    • Released capacity which is being redirected to other priorities

    • Non cashable savings which are at the moment difficult to realise as they represent fractions of a post or a small element of several people's jobs

    • Avoidance of growth, where the new arrangements mean we can meet new requirements without additional investment

30. The calculations give us an early picture of how real savings can be made if the programme of changes is significant enough and economies of scale can therefore be realised and driven out. As we broaden the scope of the changes, the fractions of posts become whole posts and can therefore be realised more easily

31. In order to increase the level of benefits and savings that can accrue we need to actively promote to residents the availability of new methods of contacting the Council. Promoting uptake of web based services and actively managing down the level of face-to-face contact to enable the customer migration towards more cost effective channels of access. The efficiencies delivered to date have been achieved with little active promotion of alternative ways of doing business with the council. There is however some evidence nationally that the introduction of new channels encourages customer contact and participation and hence increase overall volumes of customer contacts. Whilst this is desirable it does mean that realising savings can be difficult.

32. These preliminary findings clearly exemplify the huge shift in performance that can be created by the easy@york service transformation. Further improvements will accrue as the new processes and ways of thinking become embedded in both the front and back office business. The Easy Programme also believe that further improvements can now be made to these services, having established a different mind set amongst managers and having gained confidence from staff.

Lessons Learnt from Phase 1

33. A full lessons learnt review is to being undertaken in the autumn to identify what went well and what could be done better in future, however, preliminary analysis and feedback suggests that: -

a. The Programme has been slowed down by resistance to change and we need to influence the corporate culture to remove some of the internal inertia which prevents uptake of new ideas and ways of doing things.

b. The Systems approach is essential to ensure that processes are customer focussed and consider all improvement drivers and service considerations. We need to develop more in house skills to use this methodology.

c. Performance data analysis and therefore performance management skills need developing.

d. Senior Managers within the affected areas need to be engaged and committed to the work and leadership cannot be delegated too far down the ranks.

e. Control of changes to policy, process and systems is essential for the reliable running of customer services, particularly through the YCC.

f. Significant Programme Management input and control is essential to driving forward such an extensive range of changes to organisational structures, behaviours and processes. Services engaging with the programme need to have an understanding of this approach in order to work effectively together.

g. We need better baselining of performance and better target setting before changes take place especially if we seek to realise financial efficiencies and make savings.

h. Transitions need to be thoroughly planned and introduced incrementally where possible to reduce risk of service disruption.

Business case for Phase 2 of easy@york

34. There are a number of imperatives and unavoidable drivers for a further phase of easy@york.

Corporate Priorities

35. The easy@york Programme is a key delivery mechanism for three strands of the Organisational Effectiveness Programme (OEP) and has a significant contribution to two other Corporate Strategy Priorities.

- ***Improve our focus on the needs of customers and residents in designing and providing services*** - This will be delivered by transferring the main strands of the council's customer contact into the York Customer Centre, improving the quality of the experience of people contacting the council, increasing the range and availability of ways in which people can contact the council and by promoting the use of more efficient ways for customers to enquire, book and pay for council services. In addition we will use the information from the consultation and customer comments and complaints to improve the way that the council responds to, and uses, feedback from customers. Easy@york, though not the sole delivery agent, is absolutely essential to the delivery of this outcome.

- ***Improve efficiency and reduce waste to free-up more resources*** - This will be delivered by undertaking a further programme of efficiency projects to improve efficiency and the quality of services provided to our customers. Easy@york is an essential part of this work.

- ***Improve the way the Council and its partners work together to deliver better services for the people who live in York*** - This will be delivered by developing

better ways to capture and share knowledge with our partners by utilising the opportunities and technology delivered by easy@york.

- ***Improve the quality and availability of decent affordable homes in the city -*** This will be delivered by improving over 1,400 council homes which will be done in part by improving the efficiency of the council house repair service.

- ***Improve the actual and perceived condition and appearance of the city's streets, housing estates and publicly accessible spaces*** – Delivery of the York Pride Action Line through the York Customer Centre with associated re-engineering of end to end processes has already contributed to improvements in street based services, improving delivery, giving customers better feedback on progress, making these services more accessible to customers, and making performance information more transparent so that further improvements can be made.

Admin Accom

36. A future phase of easy@york is fundamental to the move into the Hungate building in 2010. This is being designed with a single point of customer contact for all face to face and telephone contact for all Council Services. If we do not undertake easy@york phase 2 then customer contact will be spread throughout the building. This would result in the need for a larger building with multiple reception points. The proposed design footprint will not be practical and the overall size of the building would need to increase.

37. The Hungate design already assumes that 20% of all staff will not be desk based. In order for a fifth of our workforce to work from outside the office then their work will need to be electronic, not paper based and the processes will need to be regulated and consistent. We will no longer be able to manage by sitting in close proximity to paperwork or the person who does the next step in the process. Easy@york is the only mechanism that will enable this level of process change and thus without easy@york the majority of staff would need to remain office based and the Hungate building would not be large enough to house them.

38. The move to Hungate will not be possible without a further phase. If Members decide not to proceed with easy@york then the Council would need to commission a detailed impact assessment on the viability of the whole of the Hungate project. Substantial redesign would be unavoidable and additional costs and delays would almost certainly ensue.

What will Phase 2 be like for the customer?

39. If we decide to proceed with a second phase, this is what it might look like for the customer: -

- Customers will be able to come to one place to resolve the majority of their requirements.
- Customers contact will be handled by trained staff who specialise in customer care
- Customers will receive a consistent service with clearly defined customer standards and service levels
- Completion of service requests will be faster and more reliable

- Customers will be given feedback on the progress and completion of their service requests
- All service requests will be logged and tracked so no requests will get lost
- Customer will be able to use the internet to find out information and make a service request at any time of the day or night
- Customers will be given a personalised service, using systems that draw together their personal records from existing back office computer systems.
- Customers will only need to notify us once of changes of address/name etc
- The York Customer Centre will use economies of scale to match its staff resources to different peaks and troughs in demand for each service meaning that the overall customer experience is improved, with better availability and better customer outcomes whilst we make best use of scarce resources and drive out inefficiency and waste.

Selection Criteria for Phase 2

40. In assessing which services should be included in the next phase, the following philosophy has informed the selection.

- The Option selected must deliver the necessary changes to move into Hungate successfully
- We must redesign services which have a large volume customer transactions and interactions
- We need to deliver **both** customer service improvements and efficiencies
- We need to create economies of scale by centralising telephone call handling and face-to-face customer reception points.

Options

41. In setting out the following options we have tried to distinguish between what we need to do and cannot realistically avoid doing, and what we might want to do to deliver the Council's broader aspirations. The following options present a continuum and Members are asked to advise on the essence of the approach they wish to take and then on the scale and scope of the work to be included within a future phase.

42. **Option 1** - End easy@york after phase 1. Commission a feasibility report on Hungate. Withdraw any related expectations of customer service improvement from service plans and from the efficiency programme or the Customer Service Priority. Develop multiple customer reception points in the Hungate building, potentially on all floors. This would have significant impact upon the design of the Hungate building which will be difficult to accommodate within the size of the intended building. Space in Hungate would need to be allocated departmentally to ensure that paper based processes could still be delivered. Document Management System usage would be corporately led and would be developed by each Directorate or team. We would not achieve targets for reduction in paper storage needed to move in to Hungate therefore alternative storage space would need to be procured at extra cost. We would not be able to meet the desk ratios required for Hungate as existing processes will mean people still need to be office based or have office space available to them. The building would therefore need to be bigger.

43. This would lead to:

- Telephone services still linked direct into the back offices with an acceptance that any efficiencies from aggregation of the resources will not be made.

- White mail received centrally and then immediately distributed to each Directorate team to be handled as it is now. Document Management System usage would be developed by each Directorate or team.

- Unable to achieve targets for reduction in paper storage needed to move in to Hungate.

- Unable to use the Hungate space flexibly as teams would need to be located together as they are now.

- Unable to meet the desk ratios required for Hungate as existing paper based processes will mean people still need to be office based.

- Review of Hungate feasibility required.

- Indicative costs suggest additional Hungate costs of **£2.66m** over 10 years based on the provision of an additional 897sq metres of space with a build cost of £1.686m and a running cost of £98.6k pa. Ongoing revenue costs would continue for 30 years.

44. **Option 2** – Continue the programme to deliver the minimum possible change to move into Hungate. Deliver face-to-face customer contact for major customer-facing services through a single customer contact service but do not re-engineer end-to-end systems and processes. . Face to face contact would be delivered service by service like a department store with customers needing to go from desk to desk to deal with their requirements.

45. This would lead to:

- Delays for customers when they need to see someone from the back office, as they would not be located close to the front office. This could lead to poor communications and a poor customer experiences.

- Telephone services still linked direct into the back offices with an acceptance that any efficiencies from aggregation of the resources will not be made.

- White mail received centrally and then be distributed to Directorate teams to be handled as it is now. Document Management System would be developed by each Directorate or team.

- A high risk of not achieving targets for reduction in paper storage needed to move in to Hungate.

- Unable to use the Hungate space flexibly as teams would need to be located together as they are now.

- Unable to meet the desk ratios for Hungate as existing processes will mean people still need to be office based or have office space available to them.

- Review of Hungate feasibility required.

- Indicative costs suggest additional Hungate costs of £2.66m over 10 years plus a programme cost of £500k. Total **£3.16m.** Ongoing revenue costs would continue for 30 years.

46. **Option 3** – Deploy the full easy@york approach on major customer facing services. Use the systems approach and undertake end-to-end process change. This would mean: -

- Improved customer experiences and raised satisfaction levels

- More efficient services

- Cost reductions with potential savings of at least £100k pa

- Meet targets for space utilisation, desk ratios and paper storage etc to be able to occupy the Hungate building.

- delivering the vast majority of our customer contact from one joined up point.

- Service improvements on 1.65 million customer transactions

- Costs of approx **£2 – 2.5m**

Potential Services for Option 3

Full descriptions of the scope of these services and the drivers for their inclusion are attached in Annex 4.

Service	No of customer contacts per year
Housing Management	115k
Adult Social Services, Children's social services advice information and referral	85.5k
Parking	269k
Electoral registration	411k
Warden Call	67k
Revisit phase 1 services	650k
Income collection in specific areas	Unknown
Licensing	Unknown
Corporate recruitment	55k (est)
Corporate process redesign for handling white mail	N/a
Life Events	Unknown

Mobile Working	N/a
Develop additional face to face customer contact points in Libraries, Children's Centres and possibly Secondary Schools	N/a
TOTAL	**1.65 Million contacts**

47. **Option 4** – Develop Corporate customer contact arrangements for all our customer services, irrespective of size, and share these with partners such as Health, Police and Department of Work and Pension (DWP). This would mean developing processes and referrals across a range of agencies, creating radically different organisational structures that supported a customer centric view of a range of public services. This model is just starting to emerge in areas where significant partnership working has been in place for a number of years. This could involve

- Pooling of budgets

- Sharing space with partners

- Significant rethink of delivery mechanisms for many of our core services

- Costs of **£3m+** based on an increase in the complexity of service redesign

Analysis

48. The criteria for assessment of these options are: -

1. Does the Option deliver efficiency gains?

2. Does the Option deliver customer service improvements?

3. Does the Option enable a move to Hungate?

4. What is the financial impact of the Option?

5. What is the extent of organisational change to deliver the Option? Can the organisation manage the changes that this would require?

49. **Option 1**

- The option would not create any efficiency gains.

- Customer Services would be fragmented and unsatisfactory as customers would expect a single organisational response if we are all in the same building.

- The Hungate building would not be large enough and significant additional cost would ensue from providing additional office space.

- The initial additional investment in this option would be very cheap but due to accommodation costs and inbuilt inefficiencies, the long-term costs of running services in this way would increase.

- Services would struggle to deliver effectively where back office staff were located in a different building to the front office staff.

- In addition we may have difficulty in completing phase 1 as staff on short-term contracts may leave before the end of the programme.

50. **Option 2**

- The option would not create any efficiency gains.

- Customer Services would get worse rather than better.

- The Hungate building would not be large enough and significant additional cost would ensue from providing additional office space.

- The initial costs of this option would be relatively cheap but due accommodation costs, inbuilt inefficiencies, the long term costs of running services in this way would increase as processes would get more complicated rather than less.

- Though it mitigates the reputational risks of appearing un-joined up, there is significant risk that the organisation would not be able to adapt its working practices to operate within departmental silos but with a false divide between front and back office. This would be very complex.

- This option is expensive, inefficient and high risk.

51. **Option 3**

- This option would deliver efficiency gains including financial savings

- Would improve customer services, delivering the vast majority of our customer contact from one joined up point.

- Crucially it is the only option that makes the move to the Hungate Building possible.

- Though it would require up front investment it would not result in additional accommodation costs over a long period of time and is therefore the cheapest long-term option.

- In order to deliver this we would need to establish stronger links with associated work such as Admin Accom, the OEP and HR strategy development to link common drivers and themes together and thus optimise our change activities and ensure we realise financial and performance benefits.

52. **Option 4**

- This option would deliver efficiency gains including financial savings

- Would improve customer services, delivering the vast majority of our customer contact from one joined up point and integration related services with our partners

- We would not initially have space in Hungate to accommodate staff from other agencies.

- Costs would be more than option 3 as the complexity of the change work would increase and we would need to supplement the office space in order to deliver this.

- Given the time it has taken to deliver phase one and the imperative of Hungate this option is probably unrealistic as we do not have the financial capacity to deliver it by 2010. It might be advisable to consider a further phase after we have moved to Hungate, have embedded some underpinning organisational changes and developed robust operational working relationships with partners.

53. **Option 3 meets our objectives and has the lowest long term cost.**

Assessment Criteria	Option 1	Option 2	Option 3	Option 4
Efficiency gains	x	x	√	√
Customer Improvements	x	x	√	√
Enable Hungate move	x	x	√	x
Financial Impact	£2.66m	£3.16	£2-2.5m	£3m+
Extent of Organisational Change	Medium	High	High	Very High

Potential Sources of Funding

54. Given the high level scope of the options proposed it is impossible to give accurate estimates of cost at this stage. In order to develop detailed costings for both the CYC resources and for any third party supplier costs it will be necessary to undertake a detailed scoping exercise for each proposed service that would identify the improvement objectives, the range of processes to be in scope and the potential models of delivery (e.g. web based or delivered from the YCC). However in order to provide some guideline costings to enable a decision to be made, we have looked at costings from phase 1 with some variations in approach. There are 2 elements to the costs.

- The internal resourcing of service change within Departments and the cost of running a Programme Office

- The costs for LogicaCMG to provide their services to configure the technical solution, and any additional software licences needed to increase the scope of the solution.

55. Option 3 would require an ambitious development programme. In order to save money and provide an ongoing skills pool into the organisation it is anticipated that we would develop in house staff rather than use external contractors for the majority of the business analysis work. This would be a three-year programme and would cost between £2.0m and £2.5m.

56. The first phase of the Programme is projected to underspend by **£200k**. This money could be carried forward to the next phase. In addition, CYC have received

marginally more central government grant funding through LPSA 1 (Local Public Service Agreement) funding than expected and the outgoings to achieve these targets have been marginally less than expected. This means that there is potentially a further **£200k** that could be made available to fund a further phase of easy@york.

57. Further capital funding could be allocated from LPSA 2. It is projected that £2m will be realised if all performance targets hit their current projected levels therefore Members could allocate **£500k** from LPSA2.

58. Members could consider using some of the 2006/7 underspend which was around a net £2m. Of this, £1m relates to underspends on the IT Development Plan which were partly caused by the prioritisation of easy@york phase 1. **£500k** could be carried forward to fund easy Phase 2.

59. Members may also wish to identify savings targets for each service being re-engineered. This would ensure that efficiency targets are realised and would help to drive through more ambitious approaches and ensure that services take full responsibility for the changes made possible by the programme. On the basis of the benefits analysis for Phase 1 it would seem possible to drive out £100k of ongoing service efficiency savings which would fund prudential borrowing of **£1.1m** over 10 years. Service efficiencies will also be needed to meet future savings targets to balance the budget. The Admin Accom project has already assumed savings on reception staff of £40k pa. and we must be careful not to double count any efficiencies. Any savings would start to come into effect over the three years rather than all at once. Savings could be used to fund prudential borrowing to initially pay for part of the programme.

Potential Phase 2 Efficiency Gains

60. In advance of undertaking the detailed service improvement work on each Phase 2 service, we have undertaken a review of work done on these services by other authorities in order to identify generic efficiencies that could be made in York. This is set out in detail in Annex 5. The headline findings of this review are :-

- **Parking** - Westminster LB have made savings by migrating to payment by mobile phone and removing coin and card parking machines. They have saved 62% on set up costs for new parking schemes and have seen a 65% reduction in ongoing support costs per bay. Online renewal of parking permits has reduced their administrative workload by 40% and reduced processing costs from £35 to mere pennies. Online evidence of parking offences has reduced appeals and associated processing costs by 25%.

- **Recruitment** – Leicester CC have focussed recruitment activity on the web and stopped advertising in the local paper. They have made advertising printing and processing efficiencies of £1.3m per year and have seen a near doubling in the interest shown in each job.

- **Housing Management** - **Choice based lettings** – Warwickshire DC implemented an online bidding system for council houses which is now used by 70% of all customers and has reduced voids thus increasing rental income. This also gave rise to a £35k saving on newspaper advertising.

- **Housing Management** - **Leeds CC, Preston CC and Tees Valley** have made efficiency gains of between £139k and £163k pa from undertaking a systematic review of processes and driving out inefficiency. They also created improvements in service quality.

- **Mobile and Flexible Working – Hillingdon BC** are implementing mobile and flexible working as part of a property rationalisation project and estimate that flexible working, using modern business processes, will bring a 53% reduction in work desks with a corresponding reduction in admin accommodation costs. A large northern Metropolitan Authority has realised a £3m saving from releasing excess office space and estimates a 35% improvement in space utilisation.

Implications

61.

- **Financial -** Identified in the report

- **Human Resources (HR)** There are significant HR implications in implementing the kind of transitional change brought about by easy@york. In the first phase the Corporate Change Management Policy has been used and dedicated HR staff have worked as part of the programme team to ensure successful staff transitions. A further phase would require an extension of this approach.

- **Equalities** – Having council services based in one location with staff who can deal with a variety of requests will be a big improvement for many minority groups. Customers from these groups tell us that they find it confusing knowing who to contact and which office to go to and often have to visit several sites, or phone several departments, to get their requests dealt with. This creates even more of a barrier for disabled people, older people, people who's first language isn't English or parents with small children. Offering contact by different methods is also useful - using e-mail instead of the phone or finding information on a clear and easy to navigate website benefits those who are computer literate, but we must also ensure that those with no access to or ability to use a computer can still easily communicate with us. A centralised phone system is helpful, as long as menus are easy to understand and have a limited number of options. The most important thing is that people are aware of the different ways of contacting the council, and that if they have difficulty with these an alternative can be offered to suit their needs. The use of a CRM will also enable us to undertake equalities profiling of customers in order to comply with legislation.

- **Legal** - None

- **Crime and Disorder** - None

- **Information Technology (IT)** Identified in the report

- **Other-** None

Risk Management

62. In compliance with the Council's risk management strategy the main risks that have been identified are those which could lead to the inability to meet business

objectives (Strategic) and to deliver services (Operational), leading to financial loss (Financial), non-compliance with legislation (Legal & Regulatory), damage to the Council's image and reputation and failure to meet stakeholders' expectations (Governance).

63. Measured in terms of impact and likelihood, the risk score for failure to undertake a further phase of easy@york has been assessed at 19, placing the issue in the HIGH category with no mitigating actions possible.

64. Failure to undertake a further phase of easy@york would pose a serious risk to the achievement of the council's Strategy. It would pose an even greater threat to the move to the Hungate Building which is being designed with an expectation that we are able to centralise our face to face contact with customers into a one stop shop. Without the work undertaken by easy@york, services would not be capable of being separated out from their associated back office, thus meaning that too many services would need their own dedicated reception point with their back office staff located adjacently. This design would be impossible in the new building. The over-riding risk would be that we could no longer deliver effective face-to-face contact with customers.

Consultation

65. The July 07 Talkabout panel asked a range of questions to explore how customers want to access the council in future and what they consider important about the way in which we deal with them. The survey reveals that projected trends in customer behaviour are becoming a reality. A preference for a move towards using the Internet as a primary way to contact the Council and a move away from the phone are strongly evidenced.

- 80% of respondents have access to the internet at home (likely to be higher than the average for the city)
- 34% would use the Internet to contact us in future.
- 70% of customers currently use the telephone to contact us now but in future only 54% anticipate that they will use the telephone.
- Postal contact will drop from 21% to 17% but in an interesting twist of expectations, customers desire to contact us face to face shows a slight increase from 20% to 22%.

66. This is evidence that customers still want a mixed range of contact options but there is a marked trend towards online services and away from both post and phone. The importance of face-to-face contact for some kinds of contact means that the next phase needs to make this customer experience consistent with other channels of access, hence the proposed high quality One Stop Shop in Hungate using the same information technology as for phone and web based customers. These findings are consistent with the proposed programme approach.

67. Customers clearly value thoroughness and quality over a fast initial response. 88% of customers thought it as very important that staff are well informed and knowledgeable, 77% want to know when action will be taken, 61% that the matter is sorted out in one call, whereas only 55% thought is was very important that the call was dealt with quickly.

68. During the development of Phase 1 we have undertaken detailed customer consultation to inform both

- The design of online forms – members of the Talk about panel were brought in to road test online forms. Their comments led to significant changes in the forms before go live

- How changes might affect certain groups of customers. Over the last year and a half, a number of consultation meetings have been held with Social Inclusion Working Group, Disabled Peoples Forum, Older People's Forum and CVS, in order to explore initial views of our plans, explain the changes to customer services prior to go live and explore views of our detailed proposals particularly for changes to the switchboard function. This was augmented by participation in the Equalities Conference in June 07. Before the introduction of telephone menus we have undertaken to engage these groups in a test of the system so that we can assess whether different provision needs to be made for some user groups.

69. General response to the programme has been very positive however the Older People's Forum have expressed concern over the menu system and whether this might discourage some older people from contacting the Council. Other consultees have been supportive of the use of telephone menus as long as they are brief and clear. User testing with these consultee groups will be undertaken before the introduction of menus.

Recommendations

70. Corporate Management Team have considered the options and recommend that Option 3 represents the best option for the Council and that officers need to develop the ideas and costings with a view to bringing a more detailed Programme scope back to Members later in the year.

71. Members are asked to consider the review of the benefits brought about by Phase 1 of easy@york.

72. Members are asked to consider the options for a future phase set out in paras 41-53 and to recommend Option 3.

    Reason: as this will enable the move into Hungate and will lead to improvements in Customer Services and deliver savings, all of which are part of the Council's Corporate Strategy.

73. Members are asked to set aside the estimated £200k unspent easy@york phase 1 funds, to set aside £200k of unallocated LPSA 1 funding, to set aside £500k of LPSA 2 funds, to set aside £500k of the in year underspend and to establish a savings target of £100k per year to fund the remaining costs of the Programme.

74. Members are asked to note the introduction of telephone menus in August 07 as set out in para 27.

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Equalities – Heather Johnson, Assistant Equalities Officer

Wards Affected: **All** ☑

Background Papers: None
Annexes

Annex 1 – Glossary of technical systems.
Annex 2 – Costs of Phase 1
Annex 3 – Phase 1 Efficiency savings
Annex 4 - Descriptions of potential Phase 2 services
Annex 5 – Phase 2 potential efficiency gains – experience from other authorities