CABINET AGENDA

TUESDAY 15 FEBRUARY 2022 AT 7.30 PM
CHAMBER

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Membership

Councillor Williams (Leader)	Councillor Anderson
Councillor Griffiths (Deputy Leader)	Councillor Banks
Councillor Elliot	Councillor Barrett

For further information, please contact Corporate and Democratic Support or 01442 228209

AGENDA

16.   **CUSTOMER STRATEGY REPORT** (Pages 2 - 10)

Report for:	Cabinet
Date of meeting:	15th February 2022
Part:	1
If Part II, reason:	

Title of report:	**Customer Strategy Update and Transformation Resource Requirement**
Contact:	Cllr. Andrew Williams, Council Leader and Portfolio Holder for Corporate and Contracted Services Author/Responsible Officer: Jody Nason, Corporate Director for People and Transformation
Purpose of report:	1. To provide Cabinet with an update on the work undertaken in phase one of the Council's development of a Customer Strategy, 2. To request the drawdown of £150,000 from the Council's reserves to fund phase two of the Customer Strategy work, 3. To request the drawdown of £180,000 from the Council's reserves to fund a Head of Transformation post for a fixed period of 2 years.
Recommendations	That Cabinet: 1. Reviews and approves the draft Customer Strategy completed in phase one. 2. Approves the outline plan for phase two implementation and recommends to Council the drawdown from reserves of £150,000 to complete the phase 2 work. 3. Approves the principle of a new Head of Transformation post to lead the on-going transformational change programme, including the Customer Strategy, and recommends to Council the drawdown from reserves of £180,000 to fund the post.
Period for post-policy/project review	Several of the outcomes of Phase 2 of the work to implement a Customer Strategy across Dacorum will be realised in January

	2023. Outcomes linked to the implementation of a Customer Relationship System will be realised by December 2023. The initial outcomes arising from the appointment of a Head of Transformation will be realised by June 2022 and will then be specified in each of the Transformation Programme projects at initiation and at closure.
Corporate objectives:	Ensuring efficient, effective and modern service delivery
Implications: ' Value for money' implications	**Financial** During 2021/2022, a review of the existing customer services performance and processes has been undertaken, and the creation of a Customer Strategy is underway. The next step is to implement the strategy across the organisation, and to introduce new systems and processes for managing and overseeing customer engagement, with a completion date set for the summer of 2022. The Customer Strategy work will also define the requirements for a future Customer Relationship Management System (CRM) to be completed by December 2022 with a go-live date in 2023. In order to deliver these next steps, the service requires an additional investment of £150k to commission external expertise and support to assist in the delivery of this project. Given the one-off nature of this funding, a reserve draw-down is the most suitable option. It is also proposed to create a Head of Transformation post on a 2-year fixed-term basis to oversee this significant transformation project. The post will also steer other key transformation projects such as the Waste Transformation programme and the emerging Digital and People strategies. This post is expected to require £180k of reserve funding. It is then proposed that a review of whether or not to baseline this post takes place once this phase of transformation work is near completion and further transformation requirements for the Council are assessed. **Value For Money** In order to ensure that the work is value for money, a procurement exercise will be undertaken to appoint the consultants to lead this work. This will be led by procurement colleagues and will ensure that the consultancy is value for money. Additionally, there will be oversight of this work through the Transformation Board. This will ensure delivery against agreed milestones, and that any risks are mitigated.
Risk implications	Risk assessment not required as yet. Any future projects or programmes of work will be risk assessed at the point of initiation and throughout their life cycle.

Community Impact Assessment	Community Impact Assessment not required. Any future projects or programmes of work will be assessed for their impacts at the point of initiation and throughout their life cycle.
Health and safety Implications	None identified
Monitoring Officer/ S151 Officer comments	**Monitoring Officer** As noted in the report, a procurement process to be conducted in accordance with the Council's procurement standing orders, must be followed when procuring consultants for the phase 2 work. **S151 Officer** These projects require one-off funding of £330k over the next 2 years to ensure these transformational projects can be delivered. As the financial requirement is one off in nature and the project aims to deliver change improvements these funds will be drawn down from the Management of Change Reserve.
Consultees:	None
Background papers:	Appendix 1: Draft Customer Strategy
Glossary of acronyms and any other abbreviations used in this report:	Dacorum Borough Council – DBC Customer Service Unit - CSU Customer Relationship Management – CRM Freedom of Information – FOI Subject Access Request – SAR Environmental Information Regulations - EIR

1.   **Executive Summary**

1.1   This paper provides context for the development of the draft Customer Strategy, which has been co-produced over the last six months by officers from across Dacorum Borough Council, supported by an external consultancy.

1.2   This paper outlines the methodology used to develop the Customer Strategy and highlights the key findings that have been identified throughout this work. It will then outline the proposed plan for implementation of Phase 2, the resources required, and the proposed procurement route.

1.3   Finally, this paper sets out the additional resource needed to lead on the broad transformational programme that the Council is currently delivering and sets out a case for the draw-down of funding from reserves to establish a new Head of Transformation post. This will provide additional capacity to lead the next phase of the Customer Strategy work alongside other key work-steams in the Council's ambitious transformation agenda.

2.   **Introduction**

2.1   One of the key work-streams within the Transformation Programme was the development of a Customer Strategy, which reviewed the way the Council engaged with its customers including how enquiries, including FOIs and complaints, were managed and responded to across service areas.

2.2   Following a competitive procurement process, Ignite, (a consultancy specialising in local government transformation), were appointed to lead this piece of work to develop a Customer Strategy and to undertake analysis of customer-related processes across the Council with recommendations.

3.   **Methodology**

3.1   This section outlines the methodology Ignite have followed over a three-month period to gather information, review processes and assess the Council's current customer-facing technology provision, the results of which went into developing the draft Customer Strategy.

3.2   Work commenced in September 2021 and Ignite ran a number of workshops with senior officers in the Council to establish the vision for customers, and to develop the design principles that underpin the vision and establish a case for change.

3.3   Members of the Ignite team conducted individual technological assessments with representatives from the Customer Service Unit (CSU) and each service area to map out the customer contact points and to identify, map and assess the technology that supports customer facing services.

3.4   An activity analysis exercise was completed across the Council to identify how much time officers in each team were spending on customer-facing activities.

3.5   These included responding to customer enquiries, reviewing and responding to all stages of complaints, and processing requests for information (FOIs, SARs and EIRs). This was then mapped against personnel and establishment data. This analysis then provided a costed understanding of the amount of officer time spent per team on customer requests.

3.6   A maturity assessment was completed with Group Managers to capture maturity levels within 5 specific areas:

Demand management - Reducing or shaping demand to reduce the level of service required from customers

Channel shift - Enabling customers to do more for themselves and reducing Council workload in the process

Efficiency - Stripping out waste and non-value added activity from journeys and processes

Organisation - Improving productivity and releasing capacity in the organisation through the reallocation of work, workforce optimisation and better workforce practices

Commercialisation – Actively explore means for commercialisation across the organisation's services and effectively promoting and delivering paid for services

3.7   Finally, a series of workshops were held to map out the current Member of Parliament enquiries, FOIs and complaints processes from end to end. This transparent vision of the customer journey for each process highlighted opportunities for improvement that were then mapped into a proposed 'To Be' process.

4.   Summary of Customer Strategy

4.1   The draft Customer Strategy (attached in Appendix 1) sets out the vision and design principles for the future customer proposition in Dacorum and is underpinned by analysis that provides recommendations and areas of focus.

4.2   The drivers for change include the need to:

- Embed the Customer Strategy vision which will enable a shift in ways of working to ensure customers are embedded in the services and ways of working:

  "To put the customer at the centre of our services in order to provide a positive and effective customer experience, and to empower our staff so they can deliver consistent and quality Council services."

- Develop efficient and customer centric services for our communities – reflecting the need for a resetting of the relationship with customers and the way the Council delivers services

- Align the organisation behind delivery of the Council's corporate priorities

- Release strategic and specialist capacity to support delivery of those priorities

- Build on the agile work practices facilitated throughout the current health crisis - and apply them in the reshaping of a customer proposition

- Maximise the use of existing and new technologies

- Deliver financial security, for the longer term

4.3 The analysis of the current customer experience and processes outlined that;

- Digital interaction with our customers is low and the main channel that customers use for interacting with the Council is by phone. The CSU currently receives 146,000 enquiries annually through phone and email, which are triaged where resolution at first point of contact isn't possible, due to lack of information or unstructured data.

- The CSU currently uses 9 different service systems to enter customer enquiries, all of which require re-keying of information – both the number of systems and re-keying impacts on CSU productivity.

- As the CSU have no central support system, or knowledge bank, officers rely on extensive on-going training or retained knowledge which is a high risk for DBC.

- Outside of the CSU, services across DBC use additionally 105 FTEs-worth of time annually to deal with customer enquiries and chase enquiries. If the CSU was the first line of enquiry, this would release significant capacity across service lines to do more complex work.

- The Council has published 109 different points of contact online, making it difficult to deliver a consistent customer experience with one view of the customer.

- The Council has multiple systems recording customer data and interactions with limited inter-connectivity of data collation.

- The level of on-line accounts is small compared to the population across Dacorum and the demographics show that a much larger proportion of the population would happily interact digitally with the Council.

- The Council also has over 3000 PDFs online with many being service request forms, which do not provide a good customer experience and are inefficient to process.

- Customer experience is impacted by the quality of channel access, visibility of progress and misdirection of enquiries.

4.4 The data analysis was able to calculate the cost of each individual activity on a role, team, activity, and activity type level by mapping the activity against the pay band of the individual that completes it.

4.5 The data shows that the Council spends £3,966,095 per year across services on enquiries, complaints and FOIs, excluding that undertaken by the CSU team. Reviewing the data at service level highlighted that the activities relating to customer enquiries, complaints management and Freedom of Information requests led to significant time across the organisation managing these processes outside of the CSU. Transferring these activities to the CSU represents a possible efficiency, depending on the volumes of activities transferred.

5. **Customer Strategy Phase 2**

5.1 As highlighted above, considerable effort has been undertaken to deliver the draft Customer Strategy, which has set out a clear vision and design principles for the future.

5.2 The next phase of the programme will be to re-focus capacity, and embed the change needed in order to realise the vision encapsulated in the Customer Strategy.

5.3 The next phase of the programme will focus on;

- Customer journeys and processes; ensuring that there is customer feedback regarding our current systems and processes alongside support to redesign these.

- Technology and identifying the corporate requirements for the Customer Relationship Management (CRM) system; working with the organisation to ensure that the requirements for each service are captured for development in one single system.

- Refining the organisation and changing the focus onto the customer to ensure that the vision is embedded in everything we do across Dacorum Borough Council.

- An approach which is agile to support the change required and work within the Council's internal capacity – ensuring that the change is

sustainable and underpinned by change management to upskill and empower employees.

5.4   Phase 2 will consist of two stages:

Stage	Milestones
Designing and implementing the customer service model and processes	The Customer Strategy and accompanying systems and processes to manage and oversee customer engagement will be completed by summer 2022.
Technology and digital transformation to support customer engagement and processes including specifying the organisational requirements for a CRM system.	The Customer Strategy work will also define the requirements for a future Customer Relationship Management System (CRM) to be completed by December 2022 with a go-live date for the system in 2023

6. Procurement

While recognising the significant contribution that has been made by the Ignite team to the development of the Customer Strategy, in order to secure best value for money, and adhering to the Council's contract procedure rules, an open and transparent procurement process will be undertaken to resource the next phase of the Customer Strategy. The People and Transformation Directorate is in contact with a number of providers and expects a high level of interest in the work.

7. Additional Transformation Resource

7.1   It is recognised that the Customer Strategy does not sit in isolation and is dependent on a number of other strategies and organisational changes which are already underway across the Council. These include the Transformation Programme, the Commercial Strategy, the Waste Transformation review and the Housing Action Plan among others.

7.2   The Council has already recognised the need for a dedicated Project Management Office (PMO) to coordinate and oversee the major programmes currently underway in the organisation as part of the existing Transformation portfolio. Having a PMO to co-ordinate and provide structure to the work programme will provide additional strategic oversight, visibility and transparency of what is happening across these major projects and will enable senior officers to plan and resource more effectively.

7.3   A procurement exercise is being completed to bring in a temporary resource to establish initial programme and project reporting and oversight and to support the Corporate Director for People and Transformation to plan and resource a permanent PMO to be in place by Summer 2022.

7.4   It is also proposed to create a Head of Transformation post on a 2-year fixed-term basis to oversee this significant transformation project. The

post will also steer other key transformation projects across the organisation such as the Waste Transformation programme and the emerging Digital and People strategies. This post is expected to require £180k of reserve funding. It is then proposed that there is a review on whether or not to baseline this post once this phase of transformation work is near completion, and further transformation requirements for the Council are assessed.