


<b>Cabinet</b>  28 November 2018	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Neville Murton, Acting Corporate Director, Resources	<b>Classification:</b> Unrestricted
<b>Tower Hamlets Customer Service Transformation Plan</b>	

<b>Lead Member</b>	<b>Councillor Amina Ali, Cabinet Member for Culture, Arts and Brexit</b>
<b>Originating Officer(s)</b>	Shazia Hussain, Divisional Director, Customer Services, Claire Linnane, Senior Strategy, Policy & Performance Officer/Afazul Hoque, Head of Corporate Strategy & Policy
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Forward Plan Notice Published</b>	30 October 2018
<b>Reason for Key Decision</b>	Impact on Wards
<b>Strategic Plan Priority / Outcome</b>	<b>A dynamic outcomes-based council using digital innovation and partnership working to respond to the changing needs of our borough</b>

### **Executive Summary**

The Tower Hamlets Customer Service Transformation Plan sets out how the council will engage with its customers in the future. Our plan is about making a real difference to the lives of all of our customers by delivering excellent, effective and efficient services to meet their needs. It also sets out how we ensure consistent high quality standards and a positive experience for our customers, whether they are residents, visitors, or local businesses, across all of our services and customer channels.

The Transformation Plan also brings together all the elements of the council's customer access transformation programme which covers all access channels, highlighting the council's move to digital first whilst ensuring a responsive face to face service for those who need it.

## **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Agree the Tower Hamlets Customer Service Transformation Plan as attached at Appendix 1.
2. Agree our Customer Promises as set out at Appendix 2.
3. Agree the proposed approach in terms of phasing the Customer Service Transformation Plan's development as set out in this report in paragraphs 3.22 – 3.24.
4. Agree the creation of a Customer Board, chaired by the Cabinet Member for Culture, Arts and Brexit, to monitor delivery of the Customer Service Transformation Plan.
5. Delegate the development of the Customer Service Transformation Plan implementation plan to the Corporate Director, Resources; and the Divisional Director, Customer Services; in consultation with the Mayor and Lead Member.

## **1. REASONS FOR THE DECISIONS**

- 1.1 We need to radically transform and improve our approach to customer service in Tower Hamlets. Customer service is not just about how our contact centre and Idea Stores operate. It is about how every customer-facing interaction is conducted - regardless of who does it. A significant programme of work is already underway to redesign our services to put in place the infrastructure to deliver that change. However we need to further accelerate the pace of change, and ensure that the organisation as a whole embodies the needs of the customer.
- 1.2 The Tower Hamlets Customer Service Transformation Plan will be the overarching council approach, setting out we will engage with our customers. It will apply to all council services, not just those provided by the Customer Services division, and in the future those we commission from partner agencies. It will provide the mandate to implement specific elements of the emerging customer access transformation programme as well as other aspects to ensure consistent and excellent customer interaction. Furthermore, it brings the various elements of our customer access transformation programme together in a single place and clearly set out how transformed approaches to engaging with our customers forms a key plank of the council's future operating model as set out in the organisational vision for 2022.

## 2. ALTERNATIVE OPTIONS

- 2.1 The alternatives to adopting the Transformation Plan as set out in Appendix 1 of this report would be for the Mayor to choose not to adopt it, or to amend it.
- 2.2 Failure to adopt the Transformation Plan, or an amended version of it, would be to continue with a business as usual approach to customer service.
- 2.3 Our current model of service delivery is decentralised and inconsistent in quality. It is weighted towards face to face and telephone contact; and digital options are significantly under-developed. Our processes drive people to face to face or telephone contact, and there are many repeat visits. There are around 3 million telephone enquiries every year. Over 50% of residents in the Annual Residents Survey 2018 told us it was difficult to get through on the telephone.
- 2.4 This means that the council is failing to meet our customers' expectations for online services, self-service and social media usage. We will also continue to deliver customer services inconsistently and miss opportunities to realise improvements in service delivery. The council will also fail to fully understand current and future demand and not make the most effective use of current resources.
- 2.5 At a time of significant reductions in the council's budget this approach is not sustainable. It is inefficient, expensive and does not offer a good customer experience. It is therefore considered that there are no other viable options but to continue to pursue a transformational approach to customer services.

## 3. DETAILS OF THE REPORT

### Strategic context

- 3.1 The Tower Hamlets Plan 2018 – 2023 sets out our shared vision for the future of our borough. It sets out the Tower Hamlets Partnership's five year vision for the borough, articulating local aspirations, needs and priorities. It informs all other strategies and delivery plans of the partnership, including the council's Strategic Plan.
- 3.2 The plan's key objective is: **tackling inequality by building a strong, inclusive and fair borough** and the four themes are:
- a better deal for children and young people: aspiration, education and skills
  - good jobs and employment
  - strong, resilient and safe communities
  - better health and wellbeing.
- 3.3 There is an emphasis in the plan on improving outcomes for local people, and managing demand through intervening early to prevent problems from worsening where possible.

- 3.4 The council's Strategic Plan 2018 – 21 sets out our corporate priorities and outcomes, and how we will continue to deliver our long-term ambitions for the borough. Our three key priorities are:
- **Priority 1:** People are aspirational, independent and have equal access to opportunities,
  - **Priority 2:** A borough that our residents are proud of and love to live in,
  - **Priority 3:** A dynamic, outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.
- 3.5 Priority 3 of the Strategic Plan includes the following outcomes:
- People say we are open and transparent putting residents at the heart of everything we do
  - People say we work together across boundaries in a strong and effective partnership to achieve the best outcomes for our residents
  - People say we continuously seek innovation and strive for excellence to embed a culture of sustainable improvement.
- 3.6 The Customer Service Improvement Plan is one of the ways that we are delivering against the strategic priorities and outcomes set out in the Tower Hamlets Plan, and the council's Strategic Plan. We are doing this by supporting more resilient communities; through continuing to provide early intervention services; by using digital innovation to respond to the changing needs of our borough; and by seeking the best outcomes for our residents and customers by improving our customer services.

### **Customer services in Tower Hamlets**

- 3.7 A customer is anyone who lives, works, studies, visits, or does business in Tower Hamlets. It also includes anyone who uses a council service in some form, whether they are visiting one of the council's parks, applies for a parking permit or simply walks down one of our streets.
- 3.8 We know that the way we currently provide customer services is largely based around face to face and telephone contact, and there are too many repeat visits. Digital options to contact us are currently limited. Our customers also tell us that it is difficult to get through on the telephone. 54% of customers in the Annual Residents' Survey 2018 told us that it was difficult to get through to us on the telephone.
- 3.9 Our current model of service delivery is expensive and inefficient. The average unit cost of face to face contact at One Stop Shops was £10 in 2017/18. Telephone contacts cost the council in the region of £6 per call. In comparison Government analysts estimate that digital contact is generally 20 times lower than face to face, and respected organisations such as Socitm<sup>1</sup> estimate that costs per digital transaction are between 8p and 19p per transaction, but this varies depending on the type of transaction.

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<sup>1</sup> Society for IT practitioners in the public sector

3.10 [Also, when customers give us their details they are entered onto different databases. This is very inefficient as it means customers have to provide their details each time they apply for a service because their information is not stored in one place. This means that it is hard for us to plan services around our customers' needs. It also means that our customers can find it hard to make their way around council services because they can be dealing with a number of different services at the same time - council tax, housing benefits, housing, and early years' for example.]

3.11 We know that we are not currently doing enough to satisfy the expectations of our customers who want to be able to apply for, book and pay for services online, at a time that suits them. There is evidence of an appetite for online service delivery in Tower Hamlets, as indicated by:

- 92% of residents have access to the internet
- 69% of residents browse the internet for information about goods and services
- 53% of residents shop online
- 65% of residents use internet banking

but:

Only 41% of those with access pay for council services online.

3.12 However our plans are about more than just about becoming more efficient and improving the quality of our transactional services. We want to encourage our residents to become more resilient and able to help themselves. Helping our residents to become digitally confident is a means of helping them to become more independent in many ways. People will be supported in different ways. For example, for those who lack confidence or need assistance with going online, assisted self-service will be available in our Idea Stores.

3.13 We will also support more vulnerable residents through early intervention to make sure that services and resources are provided where they are most needed and prevent problems becoming bigger and more costly over time. This will include:

- Vulnerable children and families, through our Early Help hub
- Households at risk of becoming homeless, through our homelessness prevention services
- Older people, through effective early identification of support needs
- Identifying people at risk of falling into debt through our Tackling Poverty service.

## Our vision and key priorities

3.14 The Customer Service Transformation Plan's vision is: **We will give our customers the best experience we can – online, by phone, and face to face.**

3.15 Our key strategic priorities and outcomes are set out below.

Our key strategic priorities are:

- Make a real difference to our customers' lives (Effective)
- Provide easy ways to get things done (Efficient)
- Learn and improve, in partnership with our customers (Excellent)

Our outcomes:

### **Be effective:**

- Our customers are more independent
- Our customers are confident dealing with us online
- Our approach to customer service has improved the lives of those customers who need us the most.

### **Be efficient:**

- Our customers use the contact method to meet their need and their circumstances
- We manage demand based on customer feedback
- We avoid unnecessary contact and reduce our costs.

### **Be excellent:**

- Our customers feel they have received excellent customer service
- Our workforce has the right skills and resources to provide excellent customer service
- We use customer feedback to learn and improve.

3.16 Our strategic priorities and outcomes were developed following a process of reviewing customer, performance, and related data. This included the Annual Residents' Survey, customer satisfaction data, and key performance indicators. We also looked at local authority best practice examples. The Customer Services management team were involved in drafting the strategic priorities and outcomes, and Divisional Leadership teams across the council were then consulted on these.

3.17 For '**Be effective**' we have chosen these specific outcomes because we have high levels of deprivation, and there are many vulnerable households in the borough. We want to make a real difference to the lives of our customers through an early intervention approach. We want to improve our customers'

lives through enabling them to become more independent and resilient by helping them to become more digitally confident.

- 3.18 Under '**Be Efficient**' we will take a digital by default approach, which will be simple and easy to use – so simple and easy to use, the majority of our customers will want to use online options in preference to all other channels. Services will be available 24-7, wherever residents choose to access them online.
- 3.19 We will monitor demand and design our services in response. In some areas, for example children's support services; we will explore driving up demand, in recognition that these can be preventative in nature.
- 3.20 Under '**Be excellent**' we want to use customer feedback and insight, and work in partnership with our customers to improve the quality of our services. We will also have a well-trained, skilled, and enabled workforce who is able to deliver the quality of service customers have a right to expect.

### **Phasing**

- 3.21 We want everyone to understand and have a stake in our new direction. It is therefore proposed that the development and delivery of the Transformation Plan will proceed on a phased basis in order to enable further engagement with Members, staff, and most importantly, with our customers to help develop a full understanding of the vision and outcomes, and gain their commitment. It will also to allow opportunities for staff and customers to shape the Plan's development.
- 3.22 **Phase 1** of the Transformation Plan's development is the production of a high level plan (the Tower Hamlets Customer Service Transformation Plan) document which includes the vision, outcomes and key actions which embody the approach to customer services in Tower Hamlets. This is attached at Appendix 1.
- 3.23 It also includes our Customer Promise which sets out our key promises to customers, and our expectations of our customers in return. This is set out at Appendix 2. There will be a launch and a publicity campaign to raise awareness of our Customer Promise with customers.
- 3.24 **Phase 2** of the plan's delivery will be the creation of a detailed implementation plan and outcome (performance) measures by summer 2019. It is proposed that responsibility for this will be delegated to the Corporate Director, Resources, and the Divisional Director, Customer Services, reporting to the Mayor and Lead Cabinet Member. Included as part of the implementation plan will be measures for ensuring that staff have the right skills, training and tools for delivering the new customer service approach.

## **Delivery**

- 3.25 It is also proposed that a new Customer Board is created, chaired by the Cabinet Member for Culture, Arts and Brexit, as the lead member responsible for customer services. The board's purpose will be to monitor the delivery of the Customer Service Transformation Plan and drive customer involvement in service delivery. Members of the board will include senior officers. The chair will also be empowered to co-opt customer experts to sit as members of the board or to give evidence on best practice. This will strengthen the council's commitment to customer engagement in service delivery, as represented by the Cabinet Member as chair of the board.
- 3.26 As the council's approach to customer engagement develops and matures, customer representatives may also be invited to join the board.
- 3.27 A representative from the council's corporate leadership team (CLT) has also been identified to act as a customer champion, supporting the Divisional Director in achieving the vision and facilitating the change in organisational culture required.

## **A local presence in our neighbourhoods**

- 3.28 We recognise that there is still a need for the council to have a face to face 'local presence' for those customers who need assistance. This will be based in our Idea Stores. Staff will help people complete simple transactions online; the emphasis will be on staff being there to support customers to help themselves, building greater resilience and independence over time.
- 3.29 This customer offer will sit alongside the services Idea Stores already deliver. More details of how these services will operate will be set out in our forthcoming local presence plans.

## **Customer engagement and co-production**

- 3.30 The Customer Service Transformation Plan as set out at Appendix 1 draws on existing consultation and engagement exercises that have underpinned the development of the customer access transformation programme. This includes customer feedback, customer satisfaction ratings, as well as customer service related findings from the Annual Residents' Survey and Budget Consultation.
- 3.31 Customer testing of IT products has taken place as part of the customer transformation programme. However, it is recognised that there is more to be done in terms of consulting and engaging customers in improving and developing customer facing services. The Implementation Plan will set out how customers will be involved in developing new customer services, through a range of engagement mechanisms such as customer panels, and where appropriate, through co-production. This will also apply to customer services that the council commissions in the future.



#### **4. EQUALITIES IMPLICATIONS**

- 4.1 The approach set out in the Tower Hamlets Customer Service Transformation Plan is designed to advance equality of opportunity for all our customers and foster good relations between people. The Plan aims to make a real difference to our customers' lives and a key focus is on helping people to help themselves, and on improving life chances.
- 4.2 All residents of the borough will benefit from an improved quality of service from the council and vulnerable and disadvantaged groups who need it will still be able to access face to face assistance. Digitally excluded groups will benefit from improved digital skills as a result of assisted self-service.
- 4.3 Given the wide-reaching implications for service users, an Equalities Analysis has been completed for the Customer Service Transformation Plan. This found that developing a digital first approach, with assisted self-service for those who need it, together with provision of early intervention services for the most vulnerable is considered to have a positive impact on all protected characteristics. However, while the overall impact is considered positive, the analysis identified that some groups and communities are less likely to use digital channels than others. A number of mitigating actions have therefore been identified, including involving specific groups in user testing as part of the development of online products, and monitoring of services to ensure that they are accessible.
- 4.4 Individual Equalities Analyses will also be completed as required as part of the delivery of projects associated with the implementation of this Plan.

#### **5. OTHER STATUTORY IMPLICATIONS**

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
  - Consultations,
  - Environmental (including air quality),
  - Risk Management,
  - Crime Reduction,
  - Safeguarding.

#### **Best Value Implications**

- 5.2 The Customer Service Transformation Plan and associated customer transformation programme emphasises digital service delivery with a focus on channel shift towards less resource intensive and more efficient channels of communication. This is accompanied by an early intervention approach to reduce pressures on high cost acute services.

5.3. It forms an integral part of the council's improvement journey and supports the Smarter Together transformation programme.

## **6. COMMENTS OF THE CHIEF FINANCE OFFICER**

6.1 The Tower Hamlets Customer Service Transformation Plan will support the local presence and customer services review which is required to deliver over £2m of MTFs savings.

6.2 Should the overall plan detailed in this paper be agreed, further work will need to be done to define any additional amounts to existing core budgets that are required to deliver specific projects and these will need to be separately approved by the Transformation Board following identification of an appropriate funding source.

## **7. COMMENTS OF LEGAL SERVICES**

7.1 The method for dealing with customers is a part of every legal function of the Council. Under the constitution the Chief Officer of a directorate is responsible for the legal functions to which that particular Directorate relates. Therefore, ordinarily the approach to dealing with customers would ultimately be the responsibility of the Chief Officer of the function the Customer is trying to access. Recommendation 4 has the effect of bringing this responsibility together from all the directorates and making the Corporate Director Resources the responsible decision maker in this area for all directorates.

7.2 There are no immediate equalities duty implications from this report. However, as the plan is developed it is clear that there will be implications for customers who have protected characteristics under the Equality Act 2010. Therefore, the Council will undertake appropriate equalities analyses and potentially consultation whilst any decisions are at a formative stage to properly understand the impact of its decisions on such customers.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

None

### **Appendices**

- Tower Hamlets Customer Service Transformation Plan
- Customer Promise

### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- NONE.

**Officer contact details for documents:** Claire Linnane, Senior Strategy, Policy and Performance Officer.