

Excellence in Place Leadership Programme

Session 3:

Delivering Customer Centric Place Services

Answering the problem:

"The users of Local Authority Place Services do not expect to receive a customer experience comparable to the very best in the public and private service sectors.

Is this a fair statement?

What can Place Leaders do to emulate the very best in customer centric engagement, service design and delivery?"

The Local Authority customer experience challenge

Addressing the challenge of customer experience is vital to place leaders given that, according to MHCLG figures, in 2019/20 they were responsible for investing around £15.2bn into place-based public services from the £99.2bn funding allocated to local authority services. [MHCLG: *Local Authority Revenue Expenditure and Financing: 2019-20 Budget, England - Local Government Finance Statistical Release - 27 June 2019*]

While there are pockets of good practice around the UK, performance is not consistent from local authority to local authority. Without question the sector can do better to tackle the massive variation in performance.

The challenge is complicated by research demonstrating inconsistent and contradictory views on local authority customer satisfaction; recent research by the Local Government Association showed that while 56% said they were fairly satisfied and 19% were very satisfied with the services they received, only 11% said these services provided value for money and just 9% thought their council responded strongly to their needs. [LGA: *Polling on resident satisfaction with councils - 26 June 2020*]

Add to this the high private sector service benchmark in which the public is used to. Firms such as Amazon, Ocado or ASOS are constantly innovating to improve their service to stay ahead and competitive. In reality local authorities don't have the same commercial drivers - the public is asked to pay for services up front that they may or may not want, and may or may not receive in the future.

Given this environment, understanding customer need is increasingly vital if we are to move towards outcome and evidence-based commissioning of services. Customer insight should be fundamental to helping local authority place leaders understand the needs of their customers and so deliver better outcomes.

The challenge for local authority teams is therefore to identify and overcome the barriers and blockers to consistently and effectively embracing this approach.

"Customer insight is about listening and responding - how can you deliver great outcomes if you are not keyed into the needs of your customers?"

Neil Gibson, past president ADEPT



What can great local authority customer experience look like?

Citizen expectations are shaped by their experience of other well-funded digital first private sector organisations such as Apple and Google, and by best in class retailers like John Lewis and Zappos. However, unlike their relationship with these private sector firms, the public has little choice or influence over the services provided by local authorities.

From the local authority perspective, the challenge of meeting this expectation is complicated by the requirement to serve all citizens - the IT illiterate, non-English speaking, and those without access to computers, are just some examples. Similarly, different generations have different viewpoints and needs – we are not all the same.



The question for local authorities is how to design services that please everyone? The reality is that people tend to respond with passion to small local issues while ignoring the larger strategic issues. When asked about rural bus services, for example, thousands will respond despite the fact that only hundreds actually use the service.

And given that we measure so many outcomes, why do we not measure satisfaction? People need to be emotionally engaged to be positively engaged – the customer has to be part of the process and placed at the centre.

Better outcomes for citizens and the local authority can be achieved by engaging partners, consulting and communicating to do things differently - as these two case studies demonstrate:

The Dugud app: a citizen-centred app designed to engage and motivate the population of Getxo in northern Spain to embrace waste recycling based on the circular economy, local commerce and improved municipal recycling. The app rewards behaviour around

recycling – giving rewards back to the community to drive improvement in the public realm. The city council recognised the need to change behaviours and committed to handing risk, responsibility for outcomes and reward to the private sector.

Citizenica: Madrid City Council and Ferrovial Services collaborated to change the street cleaning model in Madrid using citizen involvement, data analytics and new technologies. Time spent by the joint public and private sector team to identify and

understand the needs of the public was crucial and led to more visible cleaning, involving robotic cleaners and the overt use of water to demonstrate action and so reduce complaints.



“We deliver and design services to the customer - or that impact the customer - without consultation. Is it because we know better or fear how the customer will react?”

Mark Saunders, Transport Infrastructure, Amey

The building blocks of customer centricity

Examples of local authorities delighting their customers are harder to find – not least given the pressure on budgets, the need to create efficiencies, and the impact of Covid-19 leading to reactive rather than strategic services. But by addressing some simple building blocks of customer centricity it is possible to provide scope for immediate and longer term savings:

Collaboration and Integrated Services - with the customer at the centre. Improved customer experience requires joined up thinking across organisations to drive the right behaviours.

Branding and Shared Values - thinking from an outside-in perspective to improve customer perception of you; driving focus on individuals and a better understanding of customers.

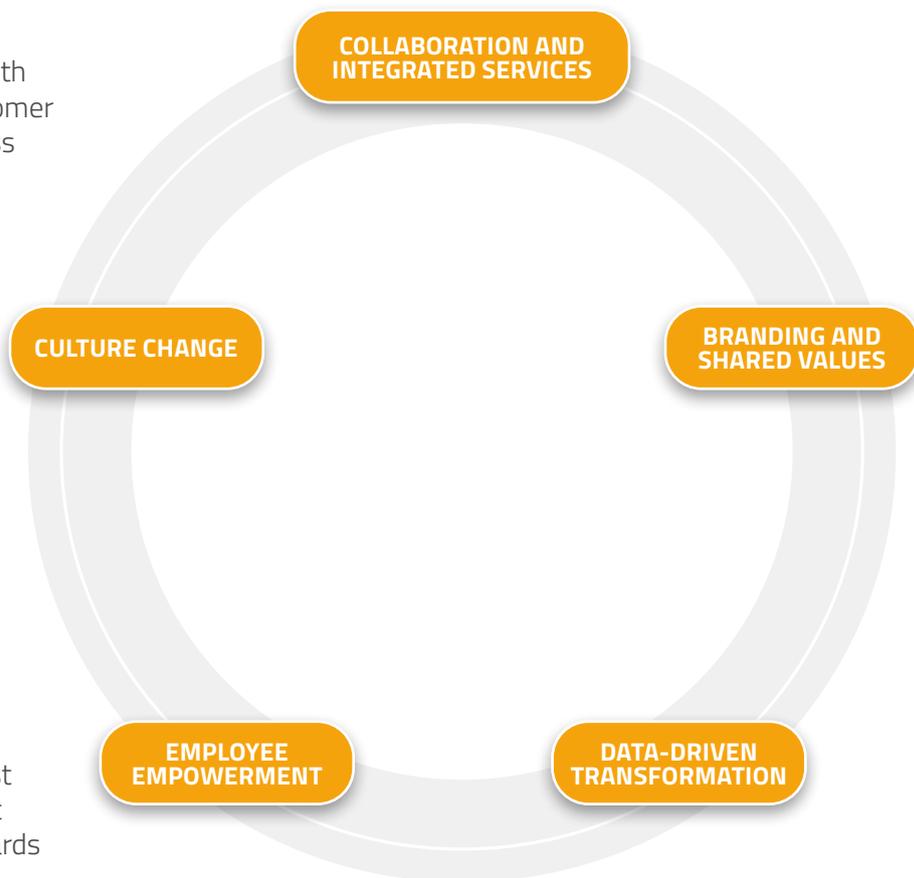
Data-driven Transformation - Create new citizen-centric services by using insight from the deep pools of data to identify localised changes that drive momentum rather than big bang solutions. A test and learn approach often leads to the most successful innovations.

Employee Empowerment - Getting the best from and empowering your people. Without buy in from employees, any aspiration towards customer centricity will be fruitless.

Cultural Change - Leaders need to challenge the way things have traditionally been done; customer centricity must become the ethos of the whole organisation.

“There is a direct link between employee and customer experience - we need to harness the employee power and give frontline staff the autonomy to solve problems at the point they occur.”

Lesley Viner, Change Associates



Case study

Hubbub – a citizen centric approach to waste management

The challenge: to reduce the number of cigarette butts littering the streets of Leeds, Swansea, Edinburgh and Dublin by increasing the use of outdoor ashtrays.

The solution: to first understand the target audience – largely young men – then tap into their passions – sport and competition – so as to develop the “ballot bin”. The simple bold design of the voting bin encouraged smokers to use their butts to decide the greatest footballer, the best team, the best sport and so on.

Results of the pilot demonstrated a 46% reduction in cigarette waste without the need to actually talk about cigarette litter - it was a pure nudge technique in action and highlighted the benefit of bold action to bring clarity to a problem.

“The solution is about simplification and clarity - making things eye-catching and consistent to grab attention.”

Alex Robinson, Hubbub



Breakout session 1

What prevents us from putting customers at the centre; what are the blockers and what do we need to do differently?

What are the blockers?

- **Politics** – in local authorities the ruling group is elected on a manifesto that shapes the direction of service delivery but that doesn't always reflect actual public need or demand.
- **Budget** – the constant need to find savings often leads to a “sheep-dip” of delivery that meet the needs of the majority not the individual.
- **Fear of causing offence** – policies rather than consultation is used to defend decisions.
- **Universal services** – make it hard to personalise and provide choice not least as people often talk on behalf of others.
- **Legislation** - statutory responsibility makes it hard to change the conversation.
- **Lack of data at the front end** - a longer discovery phase is vital before action is committed to.
- **Skills and knowledge** – the majority of the workforce in place services are technically trained rather than grounded with softer, customer focused skills.
- **Measures of success** – the specification and success of outsourced place services are not necessarily measured by how customer centric they are.

What should we do differently?

- Embrace a smarter use of communications and consultation - the solution is short conversations rather than continuous dialogue.
- Understand the outcomes and influence of different groups - did customer satisfaction actually dip or did a group simply shout loud?
- Challenge the naysayers - the people that don't like change or things being taken away.
- Use the Covid-19 crisis - this challenge provided the ability to do things that previously would not have been considered. Learning needs to be embedded quickly before the opportunity for change slips away.
- Use customer data and insight to transform and design services.
- We need to create the case for change and help others to shape that view – a focus on small changes first is vital.
- Understand the reliability of services – explain what impact can really be made to individuals and improve feedback to customers about what can be improved.

Why design for customer experience?

Highways England has transformed itself from road builder to network operator and in doing so put the road user – their customer – at the heart of the operation.

Performance against government delivery targets is formally monitored by the Office for Road and Rail with Transport Focus acting as the watchdog on behalf of customers. The target is to deliver 90% customer satisfaction - now on 89.5% - alongside other targets around project delivery and safety set within the public funded Road Investment Strategy (RIS). RIS1 was for period 2015-20; RIS2 has just started 2020-25.

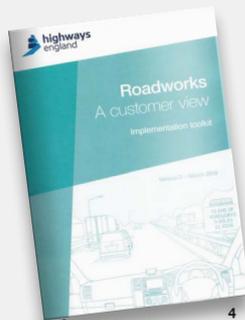
The challenge has been to develop ways to actively listen and involve customers; to understand how customers feel around the regions so as to improve services and the network operation. Tools used include:

- *User insights panel – an online portal of 2,000 road users providing feedback*
- *Social media monitoring - to identify online influencers and analyse customer sentiment*
- *Insight survey – an online quantitative survey with a robust sample size of 22,000*
- *Behavioural insight in vox pops – to understand behaviours and respond to bespoke needs*

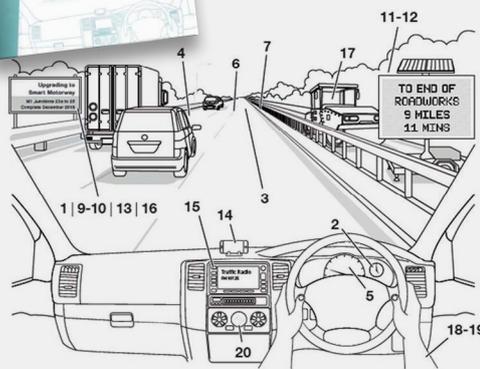
Success has been largely down to driving customer excellence throughout the supply chain – working with delivery partners on the highway to increase Highways England’s customer experience. This performance is benchmarked against other industry leaders and measured against maturity levels of “initial, developing, engaging, managing, leveraging” performance. Highways England now sits at “engaging” level.

| RIS stage | Highways England Customer Maturity Level |
|-----------|--|
| 4 | Level 5 Leveraging |
| 3 | Level 4 Managing |
| 2 | Level 3 Engaging |
| 1 | Level 2 Developing or Level 1 Initial |

The challenge was to shift culture towards delivery for the public as a customer and meant working from the leadership with support through the company vision to show return on this investment in the customer. The resulting customer centric plans are now being trialled with 26 suppliers currently being assessed.



The “Roadworks: a customer view” toolkit has been developed to help partners to embrace the consistent approach to planning and design of



traffic management, information provision and engaging and communicating with customers.

Working collaboratively across the organisation’s four regions - with the supply chain sharing best practice - is vital. New North and South centres of excellence also help to engage the supply chain and bring Highways England’s customer imperative to life.

The steps underpinning Highways England’s customer experience journey are:

- *Strategy – setting up for success*
- *Dashboard – to understand what you are doing*
- *Maturity model – to know how good you are*
- *Benchmark to improve*
- *Work with the supply chain to drive performance*

“Those who use the roads are our customers - we’re making relationships with actual people and that helps us to shape our services.”

Philip Treacher, Head of Customer Service Delivery, Highways England

Breakout session 2

Great customer experience in place services

The breakout sessions discussed what exceptional and poor customer centric service design looked like but typically focussed on the identifying **the most effective ways to boost success and methods to assess and benchmark customer experience:**

Methods to Boost Success and Benchmark Customer Experience

- *Take a step back to understand what's happening and put together a clear strategy - then stick to it.*
- *Establish a clear narrative around the delivery of highways and transportation services - constant messaging to create evidence of success.*
- *Leadership is crucial - establish long term strategy backed by long term funding for big ticket items so as to encourage and enable the training and empowering of staff and the supply chain to help drive up customer experience.*
- *Change the culture towards identifying what people can do rather than what they can't do.*
- *Be clear about whether we are truly seeking to find and meet the real needs of customers or simply interpreting what we think they are saying and nudging them towards that outcome. The use of tools such already developed by clients such as Highways England is crucial.*
- *Understand the challenge of helping politicians to stick to a policy. Actions should not be politically focused but actually represent customers' needs.*
- *One size doesn't fit all – strategies need to embrace the variety and difference of local authority customers.*
- *Understand the cost of a complaint. The customer voice must be heard – not passed from person to person within the team. The perception of being heard is crucial to the customer experience.*
- *Manage expectations - be clear and concise and address the right messages to the right customers .*
- *Examples of success exist around the world – use them.*

Redesigning client transport services

The private car is the dominant mode of transport in the UK - 66% of people use cars to commute and there are 1.16 people per car in the UK.

Despite being expensive and polluting; despite creating congestion; despite being a barrier to accessing work and education; despite hindering companies' ability to recruit and retain the best talent, the car's popularity, ubiquity and convenience makes it hard for public transport alternatives to keep up and provide a realistic alternative.

In short, traditional public transport needs too much subsidy to provide alternatives for all. As a result driving is often the only viable option. Public transport deserts exist, everywhere. To make any impact, public transport has to do more to adapt to customer needs.

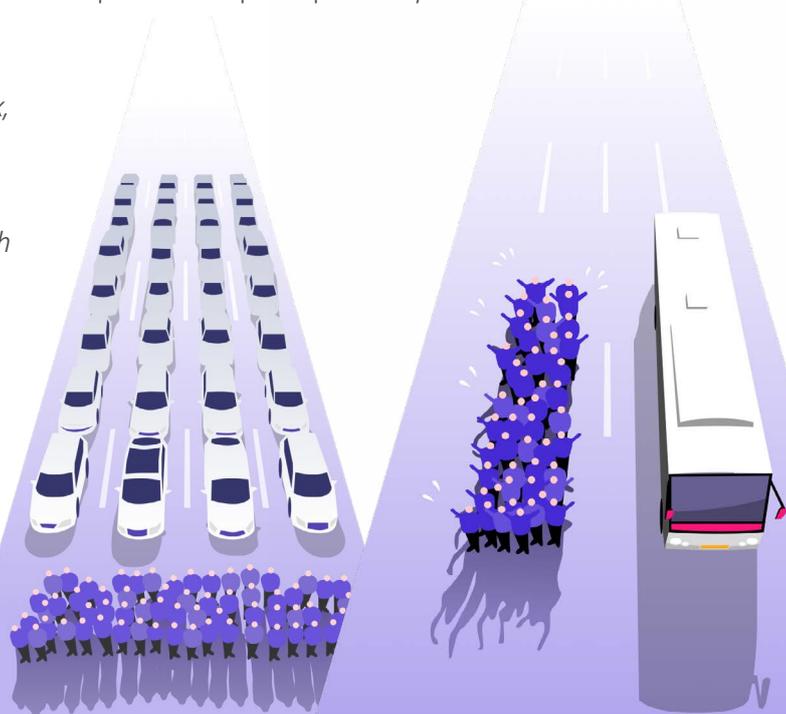
The Zeelo bus sharing business provides an example of a service solution that has succeeded by clearing the slate and started again – undone the belief that local authority transport services have to be built around creating access for all or that local authority customers don't expect a great service. It is a bus sharing service that adds to the existing public transport provision with smart services for both commuters and the school run.

By targeting the peri-urban areas with specific journeys of 10-50km it is able to define a service that sits between the urban and intercity public transport solutions, as an alternative to cars not an alternative to other active or public transport offerings. Local authority clients sit side by side with employers such as Amazon, with vehicles tailored to suit the needs of the customers, be that children on the school run or commuters heading to the office. The key has been to provide a customer centric transport service which is not seen as competitive to other public transport options by:

- Targeting public transport 'deserts'
- Connecting people with a focus on their need: work, school, town centre
- Commercially viable
- Data-driven approach, operated by technology with flexibility in when service operates
- Better use of existing assets by partnering with a combination local coach operators
- High-occupancy vehicles for maximum impact, a variety of sizes for flexibility and sustainability

"A service designed for everyone will fail to deliver for anyone."

Adam Mills,
Commercial Director, Zeelo



Breakout session 3

What does a customer centric client transport service look like and what do we need to do to achieve it

Design the key comments of such a service from a customer perspective?

- *Need to understand costs – this should not be a bottom up wish list*
- *Service must be personalised, comfortable, consistent, agile and reliable*
- *Low environmental impact - green as a given*
- *Technology used to boost ease of delivery – intelligent capture of data and trends plus additional features such as geo-location available*
- *Safe – and ability to create the feeling of user safety*
- *Services must be visible and attractive – and affordable*
- *The need for an end to end journey must be included*
- *Clear purpose - is there a better way to achieve it - alternatives to transport should be considered and explained*
- *Partnership between the public and the private sector*
- *Services must be commercially viable*
- *Ability to fall in line with current and future economic and social policy*
- *Local authorities as a conductor of services not necessarily a procurer*

Points for further discussion

- *How can local authority place leaders learn from and benefit from the customer experience seen during the recent Covid-19 crisis such as the ability to take fast action and maintain public support through difficult decisions.*
- *What is the new definition of a post-Covid-19 public transport service?*
- *How can place leaders use data and insight to better understand or interpret what the public wants from its transport services?*
- *What steps can place leaders take to better manage expectations and use nudge theory to alter public behaviour?*
- *How can place leaders accelerate the greater empowerment of employees?*
- *How will the need to manage social distancing impact the services provided by local authorities and the way that these services are delivered.*
- *What impact will a likely economic downturn have on local authority future priorities.*

Next EIPL session

The next EIPL session #4 is scheduled for **18 Sept 2020**

Topic: **Leadership in climate emergency proposal**

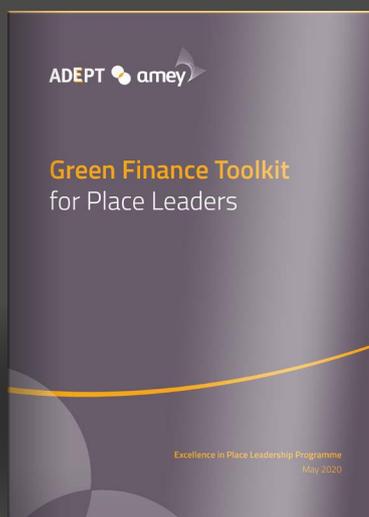
An update from EiPL sessions #1 and #2

#1: Outcomes Based Commissioning

Outcome based commissioning remains topical

GO Lab workshop 1 was held on 30th June – Somerset, Southend and Staffordshire councils are pioneering outcome based commissioning. The outcome was to examine progress and work up case studies – the Connected Places Catapult has agreed to lead on pulling these together. Joint learning is really important.

GO Lab workshop 2 will be held on 14th October.



#2: Green Finance Toolkit

COP 26 was postponed until 2021 due to the Covid-19 crisis. The Government relaunched its Race to Zero strategy on 20th June.

Articles on Green Finance were carried in the December 19 edition of Municipal Journals and in the ADEPT newsletter on 20th February. The Green Finance Toolkit was launched at the ADEPT spring conference on 20th May. The next plan is to support CIPFA in running a series of webinars and training sessions on Green Finance for Local Authority finance leads.