

Meeting:	Executive
Meeting Date:	24 October 2024
Publication:	Open
Council Priority:	This programme is integral to achieving the Council's "Together 2030" plan goals, aimed at fostering a greener, healthier, and fairer borough. It supports all five missions. Improving resident experience is an objective under the Empowering People mission.
Wards:	All
Report of:	Executive Member for Finance and Performance Report No. I028741

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## Subject: Resident Experience Programme – Phase 3 Funding Approval

### 1. Recommendations

- 1.1. To note the business case for Phase 3 of the programme and the projected benefits from the investment in this programme of work.
- 1.2. To note the council's approach to resourcing the programme – in particular, the use of permanent resourcing to reduce the investment needed.
- 1.3. To note that Phase 3 of the programme will deliver £2.775m in net savings over four years, with a total payback period for Phases 1, 2 and 3 of 5.24 years.
- 1.4. To approve the allocation of £4.411m to fund Phase 3 of the Resident Experience Programme, to be drawn down over 3 years commencing Quarter 3 of 2024/25.

- 1.5. To note ongoing expenditure from 25/26 onwards of up to £0.539m will be required for licensing and support of new technical solutions. Approval of these costs will be requested via a separate growth bid.

## **2. Report summary**

- 2.1. The purpose of this report is to offer a summary of the Resident Experience Programme's deliverables for Phases 1 and 2 and seek agreement for funding to deliver the Phase 3 Business Case.
- 2.2. The Resident Experience Programme was launched in March 2023 and is structured in three phases. Between March 2023 and September 2024, the programme focused on Phases 1 and 2. Phase 1 delivered improved telephony functionality in the council's contact centres (including Access Islington and Housing contact centres). Phase 2 has been focussed on the in-house discovery phase of service reviews across all resident facing services. This work informed the development of the business case and proposals for Phase 3.
- 2.3. The business case for Phase 1 and 2 of the programme was approved at the Executive meeting on 20 April 2023 under agenda item D1. At that meeting, the Executive was asked "To note the expenditure for Phase 3 which is projected to cost in the region of £10.000m one off plus ongoing expenditure, which will be established in Phase 2 of the programme."
- 2.4. Since that point, detailed analysis of front door demand and opportunities to improve resident experience have taken place and this has informed the Phase 3 business case.
- 2.5. The business case, attached as Appendix 1, outlines the future operating model for Islington resident experience, the principles which will be applied in delivering the programme, and the financial and non-financial benefits the programme aims to achieve.
- 2.6. A detailed review of resourcing requirements for Phase 3 against current council capacity and capability has been undertaken, identifying opportunities to reduce the Phase 3 delivery costs, by drawing more extensively on in house skills and capacity to deliver the programme.
- 2.7. The following resourcing principles will be applied to programme delivery:
  - In house permanent resourcing will be the first point of call for programme delivery, where the capacity and capability exists within the council.
  - Where the programme requires skills and capacity that cannot be met from existing substantive posts, the council's preferred approach will be to appoint on a fixed term basis.

- For harder to fill roles; specialist skills required for a shorter period of time; or resourcing requirements where fixed term recruitment would incur a delay that would impact on programme delivery, agency roles may be required.
- 2.8. As a result of adopting this approach, the Phase 3 investment request of £4.441m is significantly lower than previous projections. The programme will deliver net savings of £2.775m by December 2028.
- 2.9. The total investment (including the investment already committed for Phases 1 and 2) in the programme will have a payback period of 5.24 years, after which it will deliver annual savings of £2.775m for the council.
- 2.10. This program will achieve the proposed future operating model and associated financial and non-financial benefits outlined in the Business Case by December 2028.

### 3. Details of the proposal

- 3.1. Following on from the pandemic the Council reopened its front door services, and due to a combination of increasing complexity of resident needs and a historic lack of investment coupled with population growth (the 2021 census showed that Islington's population grew by over 19% between 2011 and 2021), these conflating factors resulted in significant strain being placed on these services.
- 3.2. In response, the Resident Experience Programme was launched in March 2023. A programme board led by the Director of Communities, Strategy and Change is in place to ensure the accelerated delivery of real, tangible front door service improvements across the council's contact channels (web, telephone, and face to face) and resident services, whilst also delivering savings contributing to the council's medium term financial strategy.
- 3.3. The case for change is based on thorough engagement with residents and stakeholders, along with an in-depth analysis of data and insights during the discovery for Phase 3. This process identified several issues impacting the resident experience, including:
- **Multiple Entry and data Points:** The council has various access points, making it challenging for residents and staff to navigate services efficiently.
  - **Low Trust in Outcomes:** Focus groups with residents showed that resident trust is compromised by inconsistent responses and extended resolution times across different service channels.
  - **Lack of Unified Resident View:** There is no consolidated view of residents' previous interactions, giving the impression that the council does not fully understand or remember individual resident needs.

- **Undefined Organisation-wide Digital and Data Strategy:** The current digital strategy is unclear, with a mixed and poorly documented system and data architecture. In addition, the organisation's ability to access and operationalise data is an area of low maturity and requires workforce upskilling and enablement.
- **Inconsistent Service Delivery standards:** Resident transactions are predominantly managed at the service level without uniform standards or guidelines, resulting in a varied and sometimes conflicting council 'voice'.

As a result of the above, **the overall resident experience is fragmented and inconsistent.**

3.4. The Council has taken steps through Phases 1 and 2 of the programme to improve the resident experience. This has included improving telephony with the introduction of a new system; implementing the MyIslington account; integrations between solutions (for example MyIslington and Love Clean Streets) to provide seamless user journeys; improving processes (for example Parking); and opening three Access Islington Hubs. These projects have demonstrated the potential for change. There remains, however, a need to look consistently across all services to implement an overarching framework for resident experience across Islington that is fit for the digital era and to invest in the digital and data infrastructure and architecture that will enable this.

3.5. Phase 3 of the Resident Experience Programme will build on improvements already delivered in Phases 1 and 2 to improve resident experience across several key areas:

- **Enhancing opportunities for residents to do things online**, providing easy access to information and the ability to complete enquiries and transactions at a time and place that works for the resident, reducing the need for phone calls or face to face visits.
- **Improving the telephony experience for residents** who call the council, by reducing call waiting times and call handling times, and increasing the amount of telephone enquiries that are resolved at the first point of contact by 50%. By the end of the programme telephone enquiries will account for 15% of council contact (current figure is 60%).
- **Encouraging residents to do more online** by promoting the council's digital channels and providing an assisted digital self-service offer both over the phone and face to face. By the end of the programme digital resident transactions will account for 75% of council contact (current figure is 27%).
- **Providing tailored support for those who need it**, such as residents who are more vulnerable or who have more complex needs, within the council's Access Islington Hubs.

- **Making best use of data and digital solutions to increase efficiency and productivity** in the way that resident enquiries and transactions are handled and responded to.
- **Providing services that are accessible for all** across all contact channels considering the needs of those with protected characteristics – and in particular the needs of disabled people or those who are “limited a lot”.

3.6. Five areas of investment in technology and data will enable these outcomes. These are:

- **Website content and digital user journey improvement** to make it easier for our residents, partners and businesses to self-serve and manage their needs online
- **Resident data orchestration** to provide joined up services based on end-to-end visibility of a resident consumer of council services
- **Call centre telephony optimisation** to improve our residents’ satisfaction with the service when they contact our first line colleagues
- **Automation** of manual and time-consuming processes so we can deliver benefits faster
- **Optimise data utilisation** to prevent and predict resident needs and reduce avoidable contact

3.7. At the heart of this approach is the need to embed a culture of continuous resident-focused improvement within teams, ensuring that this approach is built into ongoing operational delivery. To this end, Phase 3 of the programme will also deliver wider resident-focused behaviour and culture change for the council, and additional resourcing to enable this has been factored into the business case.

3.8. In order to ensure ownership of and accountability for delivery and to embed culture change across the council, the programme will draw heavily on existing council resource, with identified senior officers overseeing the delivery of key workstreams and projects.

## 4. Other options considered and the reasons for recommending this proposal

4.1. Following the discovery phase of the business case three options for the council’s front door target operating model (TOM) were considered as outlined below:

<b>Option 1</b>	Maintain current state	Resident contact continues to be managed as it currently is with separate contact centres and the current mix of channels.
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<b>Option 2</b>	All contact managed centrally and digital as the default channel	All resident contact is managed centrally by one integrated contact centre, with services no longer directly receiving contacts; digital is the default channel for all interactions.
<b>Option 3</b>	Simplified and rationalised access to the Council with greater fulfilment at first contact and digital as the channel of choice	The three main contact centres (Access Islington, housing repairs and housing tenancy) are consolidated into one. Contact and support for complex cases continues to be managed directly by services. The digital offer is significantly improved so that it becomes the primary channel of choice with assisted digital and face to face channels for those who need them.

- 4.2. Option 3 is the most suitable choice. It offers a platform for transforming the resident experience and access channels while leveraging the service-level expertise and knowledge necessary to address complex queries.

## 5. Key impacts and risks of the proposal

- 5.1. Phase 3 of the programme is designed with the primary goal of significantly improving the accessibility and overall experience for residents and service users. By focusing on complex improvements, this phase aims to provide better choices in how residents transact with the council. Key positive impacts include:

**Enhanced Accessibility:** Residents will have improved access to council services, with multiple channels available to cater to different preferences and needs. This ensures that everyone, regardless of their technological proficiency or physical abilities, can easily engage with the council.

**Improved Resident Experience:** By addressing the issues identified during the detailed engagement and data analysis in the discovery phase, Phase 3 aims to create a more seamless and user-friendly experience for residents. This includes simplifying processes, reducing wait times, and providing clear and comprehensive information.

**Personalised Services:** The enhancements in technology will enable the council to offer more personalised services, tailored to the specific needs and circumstances of individual residents. This personalisation is expected to increase satisfaction and engagement.

**Efficient Handling of Complex Queries:** Leveraging service-level expertise and knowledge will ensure that even complex queries are handled efficiently and effectively,

reducing frustration and improving trust in council services.

## **5.2. Risks and Mitigation Strategies:**

- 5.2.1. While Phase 3 is not expected to have any negative impact on residents and service users, there are potential risks that need to be managed to ensure the successful delivery of the program. These include:

**Implementation Challenges:** The complexity of the enhancements could lead to delays or issues during implementation. To mitigate this, a robust project management framework will be employed, with regular progress reviews and contingency plans in place.

**Resource Allocation:** Ensuring that sufficient resources, both in terms of budget and personnel, are allocated to Phase 3 is critical. This will be managed through detailed planning and ongoing monitoring to adjust resources as needed. Given the significant amount of permanent staffing – particularly from the council's digital service - that will contribute to delivery of the programme objectives, a 15% contingency has been applied to the remaining staffing costs (rather than the usual 10%), to cater for any unforeseen operational pressures.

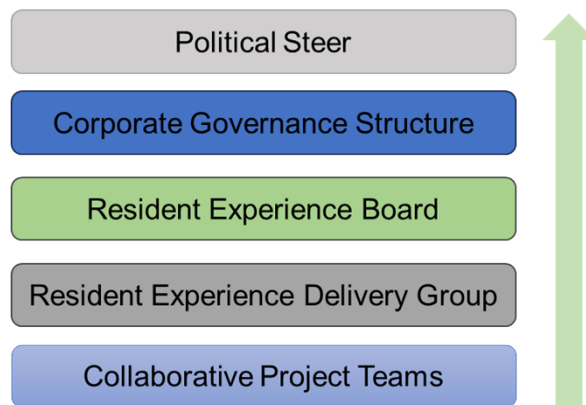
**Stakeholder Buy-In:** Gaining and maintaining the support of all stakeholders, including residents, service users, and council staff, is essential. Continuous engagement and transparent communication will help to build and sustain this support. To this end, additional change and communications resourcing has been factored into the business case.

**Technology Integration:** The integration of new technologies and systems carries the risk of technical issues or compatibility problems. Adopting an agile and iterative approach to delivery wherever possible, thorough testing and phased roll out plans will help to identify and resolve any technical challenges early.

**Training and Adaptation:** Council staff will need time for training and to adapt to the new systems and processes. Comprehensive training programs and user support services will be provided to facilitate this transition and provision for this has been made within the business case financials.

- 5.2.2. There is strong governance process in place to ensure that all resident-facing initiatives across the Council align with the strategic objectives of the Resident Experience Programme and consistently deliver a high-quality resident experience.

### Programme Governance Structure



- 5.2.3. The governance structure and control mechanisms are fully integrated with broader council governance to ensure inclusive decision-making, clear responsibilities, and consistent monitoring of the programme's progress in line with the corporate vision and the Islington Together 2030 ambitions. The image above illustrates the Governance Structure. The Resident Experience Board's membership and Terms of Reference has been reviewed to ensure it contains cross-council membership, which includes individuals who can effectively oversee the programme's alignment with the Council's strategic priorities and scrutinise its progress.
- 5.2.4. Political leadership is directed by the Resident Experience Portfolio Lead (the Executive Member for Finance and Performance) and follows a structured pathway; from regular political oversight meetings between the Executive Member and senior officers, to meetings of the Executive through the council's governance structure.
- 5.2.5. The Corporate Director of Communities, Strategy and Change leads the programme as its Senior Responsible Officer with delegated authority from the Chief Executive. The Resident Experience Board meets monthly.
- 5.2.6. Overall, Phase 3 of the programme is anticipated to deliver substantial improvements in how residents interact with the council, making services more accessible, efficient, and user-friendly. By proactively managing the identified risks, the council can ensure that these enhancements are implemented smoothly and effectively, ultimately leading to a better experience for all residents and service users.

## 6. Contribution to the Islington Together 2030 Plan

- 6.1. The quality of resident experience is crucial to the Council, affecting both the daily lives and wellbeing of residents and shaping their trust and confidence in the Council's services.
- 6.2. The "Islington Together 2030" plan aims to foster a more equitable future with diverse communities through "five key missions". Enhancing resident interactions



via the Resident Experience Programme is vital to accomplishing these missions. The programme will enhance service delivery by:

**Being Resident-Centric:** The proposed approach to delivery of the council's front door promotes service integration and streamlined access to reduce unnecessary handoffs. It will expand collaborations with family hubs and improve direct service offerings, ensuring residents receive support tailored to their needs, aligning with missions for a child-friendly, fair, safe, and healthier Islington.

**Working with Partners:** The model will boost partnerships to provide comprehensive support for vulnerable or complex-needs residents, facilitating early intervention and community wealth building.

**Ensuring Consistency:** The new ways of working will ensure residents receive a uniform service quality every time they contact the Council, reinforcing a fair and equitable service for all.

## 7. Consultation and community engagement

- 7.1. Residents were engaged during the discovery phase in the development of the Business Case.
- 7.2. Further resident involvement is planned as programme delivery progresses. This may include engagement with specific groups of residents (for example, tenant and leaseholder groups when planning improvements to housing services), user research and user experience testing of new solutions.

## 8. Implications

### 8.1. Financial Implications

- 8.1.1. This executive report requests approval of the funds required for Phase 3 Resident Experience Programme, which will transform how residents interact with the Council. This is the third phase of the programme, with funding for Phases 1 and 2 being agreed in March 2023.
- 8.1.2. The anticipated one-off costs of Phases 1 and 2 were a total of £3.372m, £3.042m revenue and £0.330m capital, split 50:50 between General Fund (GF) and the Housing Revenue Account (HRA) based on staffing numbers across both departments supporting resident experience.
- 8.1.3. An ongoing budget of £0.470m was built into the budget for Omnichannel Technologies from 2024/25. Phase 3 of the Resident Experience was expected to cost circa £10m.

- 8.1.4. As set out in section 2.7, to ensure that the programme is delivered in a cost-effective way that makes best use of existing council resources, in house permanent resourcing will be the first point of call for programme delivery, where the capacity and capability exists within the council.
- 8.1.5. Where the programme requires skills and capacity that cannot be met from existing substantive posts, the council's preferred approach will be to appoint on a fixed term basis. For harder to fill roles; specialist skills required for a shorter period of time; or resourcing requirements where fixed term recruitment would incur a delay that would impact on programme delivery, agency roles may be required.
- 8.1.6. This report requests the Council to fund **£4.411m** one-off revenue expenditure.
- 8.1.7. The one-off revenue costs of £4.411m are detailed above (Section 7.1) and include:

	Year 1 2024/25 £m	Year 2 2025/26 £m	Year 3 2026/27 £m	Total
Interim Staffing Resource*	0.590	1.420	0.620	2.630
Data and CRM Capabilities	0.100	0.300	0.100	0.500
Content Management System (Website)	0.050	0.300	0.150	0.500
Other Technologies (including automation and AI)	0.050	0.180	-	0.230
Members Enquiries/Complaints		0.030	-	0.030
Contingency (15% staffing and 10% other)	0.109	0.294	0.118	0.521
<b>Total</b>	<b>0.899</b>	<b>2.524</b>	<b>0.988</b>	<b>4.411</b>

\*Where permanent staffing has been mapped to programme resource needs, there is no additional investment requirement as these costs are already catered for within existing council budgets.

- 8.1.8. The one-off revenue costs are recommended to be funded by the GF (56% - £2.380m) and HRA (44% - £1.870m). This split is based on the savings that will be achieved from staffing establishment reductions across Resident Experience, Housing Tenancy and Housing Repairs.
- 8.1.9. Additionally, there will be up to **£0.539m** ongoing cost for the support and licensing costs of new technology solutions, to be incurred from 2025/26. The support and licensing costs relate to data solutions, CRM capability, automation, telephony and the content management system for the website. These costs will be subject to a separate growth request and include a 10% contingency. The ongoing costs are recommended

to be funded by the GF (56% - £0.302m) and HRA (44% - £0.237m). This split is based on the savings that will be achieved from staffing establishment reductions across Resident Experience, Housing Tenancy and Housing Repairs.

8.1.10. Phase 3 aims to improve the resident experience offer firstly through digital transformation via the investments discussed above by the Council, this investment additionally will generate savings across both the GF and the HRA. The total savings to the GF will be **£1.554m** (£0.465m net of years 1-3 in 2026/27, £1.089m in 2027/28) and total savings to HRA will be **£1.221m** (£0.366m net of years 1-3 in 2026/27, £0.0856m in 2027/28). The saving is detailed in the table below:

	Year 1 2024/25 £m	Year 2 2025/26 £m	Year 3 2026/27 £m	Year 4 2027/28 £m	Total
Failure Demand	0.078	0.285	0.350	0.583	1.296
Channel Shift	0.157	0.575	0.575	1.176	2.615
Productivity Gains and Efficiencies	0.025	0.090	0.111	0.185	0.410
<b>Gross Benefits (inc 27% optimism bias)</b>	<b>0.259</b>	<b>0.951</b>	<b>1.167</b>	<b>1.944</b>	<b>4.321</b>
Contact Centre Consolidation Saving	(0.851)	(0.695)	-	-	(1.546)
<b>Net Benefits</b>	<b>(0.592)</b>	<b>0.256</b>	<b>1.167</b>	<b>1.944</b>	<b>2.775</b>
<i>General Fund (56%)</i>	<i>(0.331)</i>	<i>0.143</i>	<i>0.653</i>	<i>1.089</i>	<i>1.554</i>
<i>HRA (44%)</i>	<i>(0.261)</i>	<i>0.113</i>	<i>0.514</i>	<i>0.856</i>	<i>1.221</i>

8.1.11. An optimism bias of 27% was applied to the savings above. This was calculated according to Government Green Book guidance and agreed by Senior Council Officials. The rationale is detailed below:

Category	Item	Reason	%
Project Specification	Design Complexity	This is based on the level of change required, multiple stakeholder involvement, technology, and behaviour.	7%
Project Specification	Degree of Innovation	This requires significant changes in working practices and behaviour of residents many of whom are vulnerable.	7%
Client Specific	Number of Stakeholders	Impacts both internal and external stakeholders.	3%
Client Specific	Track Record of Delivery	Many projects have been delayed and underdelivered in the past.	3%
External Influences	Technology	Heavily dependent on getting in the right technology provider.	7%
<b>Total</b>			<b>27%</b>

8.1.12. The payback period for Phases 1-3 based on the savings of £2.775m is 5.24 years.

8.1.13. The savings figures are underpinned by several assumptions. To counter these assumptions, a 27% optimism bias has been applied to initial expected savings. This mitigates the risks associated with these assumptions and ensures Phase 3 is a value for money investment. The table below illustrates the key assumptions and the implications (prior to the application of the optimism bias) if these assumptions did not fully materialise:

Category	Reason
Unit Price	Channel shift assumptions expect 75% of council transactions to take place digitally, with a unit cost per transaction of £0.90. If the unit cost were to increase by 20% (£1.08) this would impact the total savings by £0.190m prior to application of the 27% optimism bias.
Resident Behaviour	Savings are based on 75% of resident interactions taking place digitally up from 27%, and telephone interactions down from 60% to 15%. If a greater proportion of council contact continues to take place over the phone, the desired impact on staff reductions may not be realised.
Failure Demand	It is assumed that there will be a reduction of phone calls that take place due to failure demand (residents having to repeatedly contact the council for the same issue) as a result of the Phase 3 investment. Failure demand savings are projected to be £1.775m prior to application of the 27% optimism bias. If only 90% of the projected reductions in failure demand were achieved, the saving would be £1.598m prior to the optimism bias, a reduction of £0.178m.

## 8.2. Legal Implications

8.2.1. The council can use its general power of competence under section 1(1) of the Localism Act 2011 to approve this programme and the associated funding subject to its overriding duty of securing best value in all its activities.

8.2.2. The Council has a general Duty of Best Value to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.”

8.2.3. Under the Duty of Best Value, the council should consider the overall value, including economic, environmental, and social value, when reviewing these proposals. It should also consider consulting representatives of service users about the proposals.

## 8.3. Climate Change and Environmental Implications

8.3.1. There are no Environmental implications associated with this proposal.

## **8.4. Equalities Impact Assessment**

- 8.4.1. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 8.4.2. An Equalities Impact Assessment (EQIA) was completed on 01 Mar 2023 for Phases 1 and 2. A further EQIA was completed for Phase 3 on 10 June 2024 and no negative impacts were found (See appendix 2). The main findings are:
- 8.4.3. The equalities impact assessment describes how the Resident Experience programme will have a positive impact on both staff and residents.
- 8.4.4. Staff will be provided with the right tools, systems, information, training and support to ensure that they are empowered, to deliver the best services for our residents. The impact of which will be measured via post call questions asked at the end of every call to assess residents experience with the agent and resident insight engagement activities.
- 8.4.5. The resident experience programme is intended to have a positive impact on all residents who contact the council. It will enhance existing contact channels, introduce new digital options, and ensure that service accessibility and opening hours are aligned with resident expectations and priorities. Improved data collection and reporting will enable a deeper understanding of why residents contact the council and what their needs are. This insight will be particularly valuable in supporting vulnerable and minority groups, ensuring they receive the tailored assistance they require.

## **9. Timetable for implementation**

- 9.1. Phase 3 programme plan will run from November 24 through to December 2028. A high level view of programme delivery by workstream is provided in the business case.

### **Appendices:**

Appendix 1: Resident Experience Business Case

Appendix 2: Full Equalities Impact Assessment

**Report approval:**

**Authorised by: Executive Member for Finance and Performance**

**Date:** 15 October 2024

Responsible Officer: Jo Kelly – Interim Director of Resident Experience

Email: [jo.kelly@islington.gov.uk](mailto:jo.kelly@islington.gov.uk)

Financial Implications Author: Shakeel Yasin – Assistant Director of Finance

Email: [shakeel.yasin@islington.gov.uk](mailto:shakeel.yasin@islington.gov.uk)

Legal Implications Author: Sonal Mistry, Senior Lawyer (Governance)

Tel: 020 7527 3833

Email: [sonal.mistry@islington.gov.uk](mailto:sonal.mistry@islington.gov.uk)