 EXECUTIVE 2nd December 2015		Agenda Item No. 5
Title	Digital Transformation of Council Services	
For further information about this report please contact	Andrew Jones (01926) 456830 Andrew.jones@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers	Executive report 30 th September 2015 - Review of WDC/WCC Customer Service Centre & Digital Transformation initiatives	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes (739)
Equality & Sustainability Impact Assessment Undertaken	No
Not applicable.	

Officer/Councillor Approval	Date	Name
Chief Executive	9/11/2015	Chris Elliott
CMT	9/11/2015	Chris Elliott, Bill Hunt, Andrew Jones
Section 151 Officer	9/11/2015	Mike Snow
Monitoring Officer	2/11/2015	Author
Portfolio Holder(s)	16/11/2015	Cllr Mobbs
Consultation & Community Engagement		
Final Decision?		Yes

1 SUMMARY

- 1.1 The report seeks approval from the Executive of the ICT & Digital Strategy and a number of actions that help the delivery of that strategy.

2 RECOMMENDATIONS

- 2.1 That Executive approves the ICT & Digital Strategy at Appendix 1.
- 2.2 That Executive approves funding of £107,800 from the Service Transformation Reserve and £26,800 from the Housing Revenue Account Investment Reserve for the costs referred to in section 5.1.
- 2.3 That Executive approves anticipated underspent organisational development salaries of £20,900 from 2015/16 is carried forward as a contingency to help deliver the Digital Transformation programme should that be necessary.
- 2.4 That Executive notes the scope of the One Stop Shop (OSS) service review as agreed with Warwickshire County Council (WCC) at Appendix 2 and agrees to receive a future report detailing the outcome of that review and any consequent recommendations.
- 2.5 That Executive agrees to the Council ending its practice of taking payment by cash and cheque for certain services but only when individual Heads of Service, in consultation with their respective Portfolio Holders, are satisfied that accessible payment alternatives are in place.
- 2.6 That Executive notes the approach that will be taken to removing generic e-mail addresses as the Digital Transformation programme rolls-out so that customers receive a seamless response to their enquiries.
- 2.7 That Executive notes ongoing General Fund revenue savings of £230,000 will be achieved from 2016/2017 by ending the joint Customer Service Centre (CSC) thereby delivering the Fit For the Future (FFF) programme savings of £170,000 (CSC Review) and £50,000 (Digital by Default) ahead of schedule with an extra £10,000 to contribute to the overall FFF savings plan.

3 REASONS FOR THE RECOMMENDATIONS

- 3.1 At its meeting of 30th September 2015, Executive considered a report entitled *Review of WDC/WCC Customer Service Centre & Digital Transformation initiatives*. The resolved items agreed at the September meeting which are relevant to this report are reproduced below:
- *That subject to agreeing recommendations 2.1-2.6, Executive agrees to receive a Customer Access Strategy for Warwick District Council at its Executive Committee meeting of 2nd December 2015 based upon the principles described in paragraph 3.71.*
 - *That Executive agrees that a further report is submitted to 2nd December 2015 Executive Committee which will provide a full business case for investment in Digital Transformation technology to deliver further substantial ongoing revenue savings both as a consequence of the proposed phone service changes but also due to other business design and process changes.*

- *That subject to agreeing recommendation 2.5, Executive agrees that:*
 - a. *in conjunction with WCC, officers review the joint One Stop Shop Service;*
 - b. *a review of the Council's cash handling service and customer payment options is undertaken; and*
 - c. *a review of the Council's approach to e-mail is undertaken...*

with any recommendations for service changes being submitted to a future Executive Committee.

3.2 ICT & Digital Strategy

3.2.1 At Appendix 1 to this report is a draft ICT & Digital Strategy which seeks to combine Information and Communication Technology (ICT) and Customer Access strategies into a single document. The Strategy document is based upon the principles agreed by Executive and following consultation with the Council's Senior Management Team (SMT).

3.2.2 The purpose of the strategy is described in its section 2 and is reproduced below for convenience:

"This strategy outlines the approach that Warwick District Council will take to develop and deploy digital technologies that support service delivery, ensuring that these solutions work for our customers. It defines our vision, key themes and overall direction of travel for ICT and Digital services.

"This new approach seeks to place ICT and Digital services in line with the broader aspirations of the Council. It will ensure ICT and Digital Services become an enabler and act as a launch pad for transformation across the Council, by improving outcomes for customers and adding value to their contact with the Council."

3.2.3 The strategy has been developed in the context of diminishing financial resource; increased customer expectation; and rising customer demand. If the Council is to continue to meet the needs and demands of its communities then it must continue to be innovative in its service delivery and recognise that the most cost-effective way of providing services to the majority of customers is through an automated solution. By agreeing the Strategy, Executive puts in place the reference point for the way the Council will develop its services going forward.

3.3 Business case for investment in Digital Transformation

3.3.1 Benchmark work undertaken by Society of Information Technology Management (SOCITM) suggests that cost per transaction is £8.62 for *Face to Face* and £2.83 for *telephone* whereas each web transaction is £0.15. The most widely-used channel for contacting or obtaining information from the Council is via its website. Each month it receives an average of 150,000 visits; 1.8m annual visits. The number of visits grows year upon year and yet, there is considerable scope for growing the number of visits further, thereby diverting customer traffic from the more expensive channels of phone, face-to-face, e-mail and written correspondence. Further, whilst an initial contact may be by the web it is often necessary for customers to follow-up their enquiry with a

phone call or visit to the office. By improving the digital offering on the website, these follow up calls can be significantly reduced as the customer will be able to fully self-serve and also kept fully informed as to the status of their request.

3.3.2 Further investment in the Council's web infrastructure will help achieve this. A variety of enhancements and improvements are needed but they could be summarised as:

- Improving webpage content;
- Expanding and improving self-service functionality;
- Providing automatically generated service request updates;
- Ensuring mobile-friendly access;
- Creating a link between the front-end website functionality and the "back-office" system;
- Exposing "back-office" systems to the customer.

3.3.3 By making these changes Service Areas Heads will be in a position to further review both the back office and frontline officer resource required to deliver the Council's services particularly in the context of the phone service returning to Riverside House. For example, a customer enquiry in connection with a *missed bin* currently requires the completion of more than one form, officer intervention and then referral to the contractor. Should for whatever reason, the issue not be resolved straight away, the customer would need to make a further enquiry to check on progress. This whole process can be significantly streamlined if the appropriate technology is in place not only to deal with the initial request but keep the customer updated as to progress - in effect the Amazon model or similar that many of us are familiar with.

3.3.4 The Digital Strategy builds on the council's experience of lean systems thinking by seeking service improvements through the enhanced use of digital technology, at each stage of the customer journey viz:

- Service Request
- Demand Management
- Request Processing / Routing
- Request Fulfilment
- Service Failure Management

3.3.5 The introduction of intelligent web forms will change the way the Council handles the first three elements of the service request lifecycle; delivering service improvements to the customer; and reducing costs for the council.

3.3.6 Service Request – Although some Council forms can be simple, many can be complex. It is important that we don't simply replicate an electronic equivalent of the paper forms on our website. Electronic forms should adapt according to the responses given, eliminating sections that are not applicable and validate the responses provided by the customer. Fields should be auto-completed with data the customer should reasonably expect us to have, subject to appropriate security. This approach will encourage customers to use the forms and, more importantly, ensure that the data we receive is accurate. This will reduce the need to contact the customer with follow up calls, improve service delivery times, and allow the data to be automatically loaded into back-office systems. The Contract Services team currently receive over 600 requests a month from the existing web site forms that potentially require re-keying. If we assume that it takes five minutes to read the request, understand it, type the request into the back-office system and then allocate it, then that equates to 50 hours unnecessary processing per month. This is for one service alone.

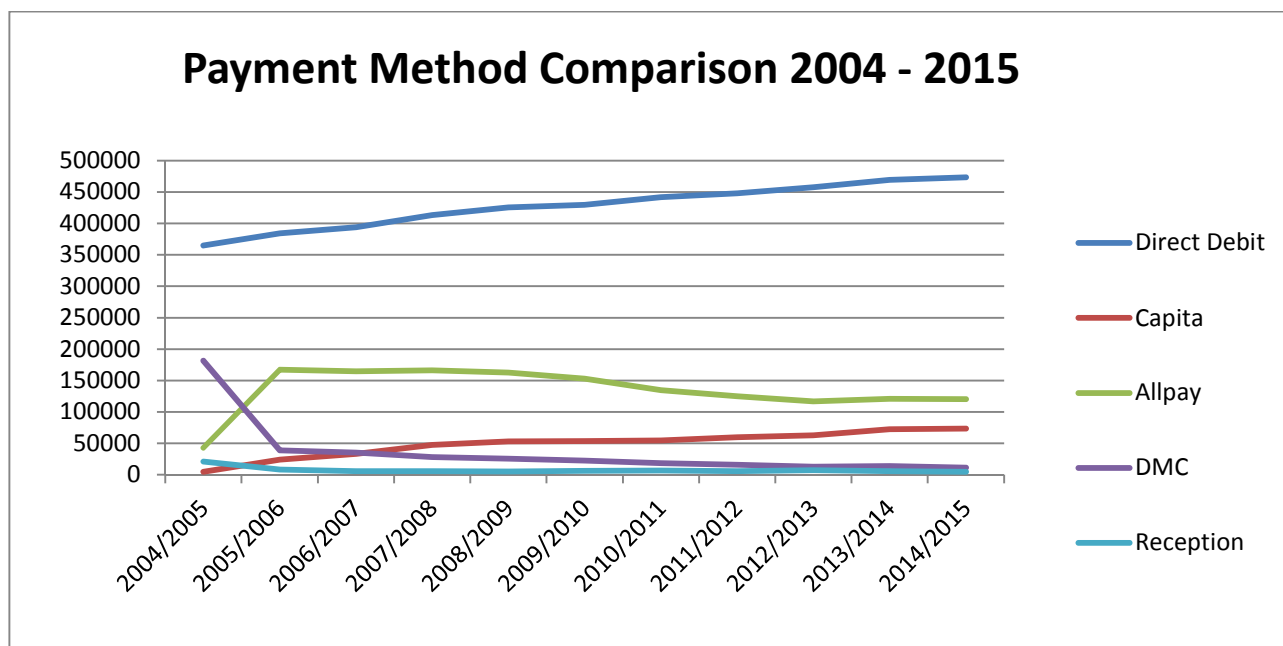
- 3.3.7 Demand validation – The use of intelligent web forms is critical to demand management. Many of the Council's web forms simply capture content before it is passed on to the back office where the request is validated and processed. However, there is significant potential to either provide the necessary information to the customer at the point of contact or to decline the request because it was invalid. Solihull MBC has used this approach to great effect by reducing the number of missed bin requests by 75%. This was simply achieved by using the web form to determine if, amongst other things, the date of the missed bin was in fact on their day of collection or that they were too late to log a missed bin request. The Solihull form, using data from back-office systems, can offer one of 37 reasons as to why their bin was not collected.
- 3.3.8 Request processing / Routing – By ensuring the quality of data that is captured is correct and by ensuring the request is valid, the request can, in some cases, be automatically routed to an inspector or contractor without back-office intervention, thereby reducing handling costs. Solihull MBC, using their third iteration of their web form, has enabled a completely digital interaction between the customer, the Council and the waste management partner.
- 3.3.9 The preferred intelligent forms solution is XFP from Jadu who are also the provider of the Council's website Content Management System (CMS). Jadu have their UK headquarters in Leicester and their software is currently used by 59 Council's, including two others in Warwickshire. The XFP solution formed part of the original website tender process and, although not implemented at the time, the Council's procurement manager has confirmed that no further procurement activities are required. Adopting XFP will ensure the necessary integration between the website CMS and the forms package, removing integration and styling costs.
- 3.3.10 In September 2016 the current version of the Council's CMS software goes "end-of-life" i.e. it will be unsupported by the company and will therefore require an upgrade at a cost of £63,600. This is an unavoidable cost. After discussions with Jadu, it is proposed to upgrade the current website CMS and implement XFP forms together at a single cost of £77,600.
- 3.3.11 In rolling out the forms across the Service Areas, officers will be following the principles agreed at recommendation 2.7 of the 30th September Executive report referred to above. There is an expectation that Service Heads will make available the appropriate officer resource to ensure that the digital agenda is taken forward and each Service Head will become a member of the Council's ICT Steering Group so that the programme remains on-track. That said, the initiative has thus far been supported by programme and project officers and although these posts will come to end in March 2016, it is recommended that the anticipated under-spend on salary budgets of £20,900 is carried forward to support project work that may become necessary as the programme unfolds.
- 3.4 One Stop Shop (OSS) Review
- 3.4.1 Following the Executive decision at its 30th September meeting that a review of the OSS service is undertaken, officers have been working with WCC officers to agree a Terms of Reference (ToR) for the review. The ToR is included at Appendix 2 and Members will note that it is expected that the review will last for about 6 months with any agreed proposals not coming into place for a

further 12 months after that. It is proposed that the outcome of the review and its recommendations are reported to a future Executive meeting.

3.5 Cash handling and Customer Payment Options

3.5.1 WDC closed its Cash Office service in 2004 whilst at the same time a range of electronic payment options were implemented (internet payments, phone payments, direct debit expansion) together with an option to pay with cash or cheque at local post offices and shops. Direct Debit is by far the cheapest method for this council to receive payments and this method is promoted for all statutory debt. This approach has led to significant take-up of electronic payment options comparing very favourably with other Councils.

3.5.2 The graph below shows the trends across all payment methods.



3.5.3 It is officers' view that steps can be taken to largely eradicate the need to receipt cash or cheques for certain services e.g. council tax, business rates, parking fines and licences which are by far the most expensive transaction as they require significant "back office" processing, reconciliation and ultimately Securicor collection. There needs to be a two-pronged approach; ensuring that customers have convenient options to make payments that do not involve cash or cheque payments; and introducing a Council policy of not accepting cash or cheques for certain services except in exceptional circumstances.

3.5.4 To enable customers to make payments via the Council's website for council tax, housing and invoices, the Council uses software provided by Capita. However, as explained in the Digital Strategy, increasingly access to our website is now via mobile phones and tablets. Consequently our payment solution must also operate via these devices. Therefore, it is proposed to spend £8,495 to upgrade our Internet payments solution to be compatible with mobile devices.

3.5.5 In addition, as we equip our officers with more technology to deliver services in the field, there is an increasing expectation that customers can pay for these services at the point of delivery. As well as being convenient for our customers and reducing the delay in delivering the service, this also assists the Council by

receiving the payment immediately and by reducing the need for matching payments to service requests when cheques arrive in the back-office. Examples of services that would benefit from this type of approach are building control, housing and the lifeline service. The technology to provide this costs £8,815

- 3.5.6 To ensure that the solutions we implement are future proofed, it is proposed that we upgrade the current payments portal to the latest release at a cost of £5,658.
- 3.5.7 It is recognised that not every Council service can be paid for other than by cash or cheque e.g. leisure centre activity or playing pitch bookings. However, most services can and so it is recommended that when a respective Portfolio Holder is satisfied that the customer has alternative accessible payment options in place, the acceptance of cash or cheque is removed.

3.6 E-mail

- 3.6.1 The Council has a number of generic team email addresses which are published on the website. Customers have traditionally used these addresses to email certain requests for service. The table below highlights the top generic email addresses used by customers in October 15.

Email address	Customers, Oct-15
contactus	1449
CTaxEnquiries	1030
Plannignenquiries	433
Contract.services	417
Buildingcontrol	409
Planning bcontrol	271
Parking	228
Hsgem	123
Hsgrep	26

- 3.6.2 Many of these emails require a member of staff to input the service request into the back office ICT system. In tandem with developing the website to ensure the customer request for service goes directly into the back office ICT system using an intelligent forms solution, generic email addresses will be phased out.

4 **POLICY FRAMEWORK**

- 4.1 At its meeting of 3rd September 2015, Members agreed that the Digital Transformation agenda should be an element of the Fit For the Future (FFF) programme ultimately realising savings of £100,000. The approach advocated in this report will provide an improved customer experience whilst at the same time reducing costs.

5 **BUDGETARY FRAMEWORK**

- 5.1 There is an upfront cost of £23,000 for the purchase of the upgraded payments system, £77,600 for the intelligent web forms and £35,000 for telecommunication and miscellaneous project costs. These one off costs total £135,600. The additional ongoing revenue cost is £15,000 associated with these systems. This upfront cost should be appropriately shared between the

General Fund and Housing Revenue Account. The General Fund's share is £108,600 which should be met from the Service Transformation Reserve (current unallocated balance £364,000), and the HRA £27,000 from the Housing Capital investment Reserve.

- 5.2 Notwithstanding the above, of the £77,600 proposed web expenditure, £66,300 would need to be spent in 2016/17 anyway as the Council's website would no longer be supported.
- 5.4 At the time the change to phone answering arrangements was agreed, it was estimated that savings of £170,000 against current budgets could be realised with £70,000 being realised in 2016/17 and £100,000 in 2017/18. The project is progressing well. It is now expected that the recurring revenue impact of the new arrangements, including salary costs and the running costs referred to in paragraph 5.1 should generate savings of £230,000 per annum for the General Fund from 2016/17. For the Housing Revenue Account there will be recurring savings of £4,000 per annum. Members should note that the overall upfront costs will be recovered in within the first year of the project.
- 5.5 To progress the Digital Transformation initiatives, the project team has been utilising project and programme officer resources. These posts come to an end in March 2016 and it is anticipated that there will be a salaries underspend of £20,900. Whilst it is not anticipated that a further project resource is required for the reason set out at paragraph 3.3.11, it is recommended that the underspend is carried forward as a project contingency should it become apparent that additional assistance is required.

6 RISKS

- 6.1 There is a risk that the investment in the website does not deliver the financial and customer benefits anticipated. This is not the experience of other Councils and the private sector; however, officers will ensure that robust governance arrangements are in place to ensure that the programme of work stays on track.
- 6.2 There is a risk that ending the acceptance of cash and cheque payments for certain services could exclude certain residents from the service itself. This will be mitigated by the Portfolio Holder being satisfied that appropriate alternative arrangements are put in place.

7 ALTERNATIVE OPTIONS CONSIDERED

- 7.1 There is the option not to continue down the "digital route" and deliver services with a mix heavily leaning towards human intervention. Whilst there will always be situations when it is entirely appropriate for a customer to transact with a member of staff, many of the Council's services do not need to be delivered in this way. The approach advocated is financially more efficient and will provide an improved customer experience.