

POLICY FINANCE & ADMINISTRATION COMMITTEE

10th JULY 2013

REPORT OF STRATEGIC DIRECTOR (KA)

TRANSFORMATIONAL CHANGE PROGRAMME

1.0 PURPOSE OF REPORT

1.1 To report on the progress that has been made during Phase One of the Transformation Change Programme and to consider and approve the next stage of the programme so that resources can be released as appropriate.

2.0 RECOMMENDATIONS

2.1 **Members note progress to date for the programme as a whole as outlined in the project summaries at Appendix B and an overview of the products delivered in section 3.2.;**

2.2 **Members note the key highlights and achievements of Phase One as outlined in section 3.3;**

2.3 **Members approve the three business cases attached at Appendix D;**

2.4 **Members authorise the release of £120K from the approved capital budget to progress the Website/ EDM projects and £52K as a supplementary estimate to fully fund the Universal Credit and partially fund the Website business cases, £37K to be funded from capital receipts and £15K from corporate priorities reserve;**

2.5 **Members approve the post of Digital Engagement Officer being added as a permanent addition to the establishment to be funded from vacancy savings from the existing customer services budget;**

2.6 **That members receive and consider a further major progress report before proceeding to Phase 3 of the Transformational Change Programme, scheduled for September 2014;**

2.7 **Members note the areas of learning as outlined in section 3.4 and the proposed solutions moving forward in section 3.9;**

2.8 **Members note the intention to develop criteria when assessing and prioritising the Councils processes which are subjected to a LEAN review and Digital by Default standard;**

2.9 **Members note work in progress in developing a local version of the digital service standard;**

2.10 **Members note the products and estimated delivery dates for phases 1.5 and 2.0 as outlined in Appendix F.**

3.0 KEY ISSUES

3.1 Members will recall that the strategic business case for the Transformational Change Programme was approved at a meeting of this Committee on 3rd July 2012 and a copy of the vision is attached at Appendix A,. This committee considered an initial report on the progress of the programme on 4th December 2012 when it was agreed that there would be a review of Phase 1 before commencing on Phase 2.

3.2 Since that meeting considerable progress has been made and a great deal of learning has been achieved. The progress for each of the projects within the programme is shown at Appendix B. An assessment of the products delivered and outlined to Members at December 2012 PFA indicates all but two notable exceptions of the products delivered on

time. These are implementing a web portal for planning to provide online access to planning documents and procurement and implementing a new Content Management System (CMS) for the website.

3.3 Some of the key highlights and achievements for Phase 1 are summarised below: -

- Various website pages have been made more user friendly, following customer analysis and feedback, including pay for it, report it, request it and the establishment of quick links to the most requested pages. A new branding of “Me and My” has been successfully introduced as part of this redesign process.
- Access to planning documents on the website has been redesigned for ease of use and greater use has been made of pictures and icons across the whole site, enabling us to be prepared for increased use from mobile devices in the future, particularly tablets and smart phones.
- The council tax support review process has been successfully implemented on the website to test the readiness of working age benefit claimants to use digital services. This is giving some particularly useful information on how ready some of our more vulnerable residents are to use digital services and enables us to identify where support is needed. To date we have focussed on claimants who are most likely to use digital services and those who are anticipated to be neutral, with around 50% of claimants engaging digitally and 34% going through to complete the process. Some of the insight we have attained is of excellent quality and will be shared with the DWP.
- Through the building of this review process, a pilot integration solution has been successfully developed using the enabling technology, linking together the Customer Relationship Management (CRM) system, the Electronic Documents Management (EDM) system and the Northgate Revenues and Benefits system. As part of this there has been a successful data matching exercise carried out with regard to data held in different systems for our working age benefit claimants.
- A new on line payment facilities have been successfully launched as part of the new front page using the “Pay It” button, although further work is needed on the payment processes that sit behind this to make the payment transactions more user friendly. This has highlighted a cultural shortfall in the organisation to challenge from a customer perspective.
- The Universal Credit Pilot has enabled us to focus on the cohort of approximately 1800 working age benefit claimants. We are pursuing opportunities through partnership working to help more of this cohort to move towards being financially and socially independent as well as digitally independent. As the pilot has progressed we have been contributing to the development of the first draft of the Local Support Services Framework document that was published by the DWP in February 2013. This describes the partnership working that the DWP expect to be in place at the locality level when Universal Credit is introduced and which will provide Melton with some great opportunities, particularly with Job Centre Plus moving into Parkside from October 2013. A partnership delivery group has already been established and a summary of the workstreams being developed is attached at Appendix C for Members information.
- The Northgate e-revenues product has been tested and is ready to be launched before the end of July – this will allow all council taxpayers to report address changes, single person discount changes, name changes and requests for direct debits. No re-keying of data will be required for these transactions and where assisted access is needed our customer service advisors will also use the same selfserve option via the website. This will be implemented on a trial basis initially, with an option to make it permanent from April 2014.
- The Northgate e-benefits product is in the process of being tested with its launch anticipated by September 2013. The implementation of this product should enable council tax support to become a fully digital by default service. Our customer service

advisors will use this product to assist people who are unable to access themselves. Transactions coming through this product will not require any rekeying of data. This will also be implemented on a trial basis initially with an option to make it permanent from April 2014.

- It has become clear over the last six months that we need to move forward independently from Leicestershire County Council in the procurement of a new web content management system. This is because we are currently at different stages of development and at this point in time our respective needs are not the same. We have been exploring options to meet our requirements and we feel we are now in a position to move forward.

3.4 Some of the areas that have been identified for further work as part of the learning from this programme have been identified as follows:

- The Council needs to become better at challenge from a customer perspective when working with suppliers and internal stakeholders if we are to design processes that are so straightforward for the customer that they will always choose to use digital services.
- Ensuring that the different projects work effectively together and maximise opportunities for synergy.
- The technical architecture 'The platform' on which we develop digital services presents challenges in terms of its flexibility to align to customer need. Complex interdependencies within the core systems (CRM, EDM and CMS) need close management if we are to deliver digital services the customer demands and retain them as digital customers.
- There is a need to build in sufficient contingency planning to cover a multitude of issues, including those highlighted above.

3.5 In terms of moving forward we are proposing that the next phase will take us through to September 2014 when there will be another major review by members. However, before we begin to tackle further transactional services there is a need to ensure that all of the residual matters from Phase 1 are completed and that we have implemented all of the enabling technology to the level that we require. This enabling technology will consist of the Customer Relationship Management (CRM) System, the Electronic Document Management (EDM) System and the Web Content Management System (CMS). We are expecting an upgrade to the current version of CRM to deal with self service and business cases are submitted with this report at Appendix D for the investment in new systems for EDM and CMS, both of which will need to be implemented. We have referred to this work as Phase 1.5 and we anticipate that this will be completed by February 2014.

3.6 Whilst this work is taking place we will be assessing the top 15 process areas where development of a digital by default service is deemed to be a priority. Once we have identified the top 15 priority process areas we will deliver the top 3 as part of Phase 2. This is expected to start around February 2014 with each process taking approximately 2 months to develop.

Although it is evident early on that in implementing new CMS and EDM systems other priorities outside of process prioritisation will provide challenges to the genuine focus of the programme. Examples which have been highlighted to date relate to cost avoidance rather than a propensity to cut costs. These are:

- Committee papers online which has been highlighted by the Website project as a resource intensive task to migrate the current committee papers to the new CMS system.
- Planning online access which is currently being delivered to customers using a system which has issues with reliability and should a permanent error occur supplier support is on a 'best endeavours' proposition.

3.7 One of the major benefits of the new content management system (CMS) being proposed will be an ability for mobile technology to be better catered for. This is important given the increasing take up and use of mobile devices such as tablets and smart phones. At the present time our strategic approach will be to meet the rising demand of mobile devices by

ensuring that our website is responsive to differing screen sizes rather than developing mobile applications. This is considered to be more cost effective and efficient and replicates the approach of central government in their digital strategy.

3.8 **The Introduction of Welfare Reform and Job Centre Plus**

As part of preparing for the introduction of welfare reforms there are certain enabling works required at Parkside to enhance the self-service area. For the purposes of this programme it is suggested that we combine the projects for the Universal Credit Pilot, the Single View of Vulnerability and the Social Fund, to create a single project that has a focus on helping to prepare vulnerable people for changes linked to welfare reform and digitalisation. The business case to support this is also included at Appendix D.

Partners within the building and more widely within the locality are engaged in this work with the initial focus of preparing for the migration of JCP customers to Parkside. Any enabling developments will be agreed in partnership and value to each agency highlighted in order to support future requests for financial contributions.

A linked enhancement, for which the partners are engaged and developments agreed in principle, is that of providing a greater proportion of confidential space for customers and this has been covered in the Parkside update report separately on this agenda.

3.9 In order to further improve the work of this programme a number of changes are proposed to the governance. These can be summarised as follows: -

- The Transformation Board will oversee the way the digital channels (website) project is developed. A draft governance structure (roles & responsibilities) for Phase 1.5 and Phase 2 is attached at Appendix E.
- All content and transactional services will conform to local variation to the central government digital service standards, many of the supporting documents will provide these local variations.
- There will be a workstream focus for Phases 1.5 and 2 to avoid key activities being overlooked and deliver a coordinated focus. An updated version of the products to be delivered is attached at Appendix F.

4.0 **POLICY AND CORPORATE IMPLICATIONS**

4.1 There is no doubt that achievement of the digital vision will enable the Council to be well prepared for future anticipated financial pressures. We do know that usage of digital devices is increasing all of the time and digital take up of the council tax support service has been encouraging so far. We will continue to work to the definition of digital by default which is ***“digital services which are so straightforward and convenient that all those who can use digital services will choose to do so, while those who can’t are not excluded”***. As part of our work with the universal credit pilot we will be looking at a range of ways in which we can assist those who cannot use digital services, including face to face support.

4.2 We know from work carried out to date that there are still cultural barriers to overcome for this Council to become a fully digital organisation. Processes will need to be radically redesigned to provide high quality user experiences so that customers will always choose digital as their channel of choice.

5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

5.1 The overall capital funding profile for the Transformation Change Programme has not changed from the estimates as outlined in Appendix G, estimated 3 year totals column. The business cases submitted for approval will in the main release resources already allocated to the Transformation Change Programme. Although this report does seek Member approval to allocate £37K from capital receipts and £15K from corporate priorities reserve to fund the Website and Universal Credit business cases at Appendix D. The Website project requests additional funds of £12K to be allocated for capital expenditure on the new CMS.

It should be noted the cost of the website design is based upon working in partnership with Hinckley and Bosworth District Council and reaching consensus on a standardised design for both organisations. A saving of £14K relies upon this partnership working and should we be unable to achieve this then we would need to request additional funding to proceed with a Melton only design.

Officers are requesting that the role of Digital Engagement Officer, which has proved successful during the trial period of six months, is made a permanent change to the establishment. The role is funded from vacancy savings within the customer services budget.

5.2 Over the past seven months we have been using Northgate Transformation Services to support us for both the day to day management within customer services and in supporting the overall delivery of the Transformation Change Programme. As we move forward this is not a sustainable option and we will be implementing an alternative approach to the operation of customer services and how this will link into the programme. Initially this will be on a trial basis, as we do not know how we want to move customer services forward over the medium to longer term. This solution will involve existing members of staff acting up with backfill arrangements being made as appropriate from the existing revenue budgets. As we move from Phase 1.5 into Phase 2 there may well be a role to engage Northgate Transformational Services to assist us in driving a new culture throughout the Council. In the interim period we will continue to work with them on an ad hoc basis so that we do not lose the valuable experience that they have gained over the last seven months.

5.3 It is likely that further business cases will be made, before the next review in September 2014, to drawdown finances already allocated to the programme and the table at Appendix G summarises our best estimates of investment costs, on-going revenue costs, current spending across the various projects and how those costs can be met.

5.5 At the present time the high level savings target is to achieve minimum revenue savings of £200K per annum across the Council through this programme from the end of year 3 (from July 2015). The savings target in 2013/14 is an ambitious one and is one we will need to monitor closely. The aim was always to achieve this in the final quarter of 2013/14. It is possible that savings can be achieved in a number of different ways, including by using existing resources to attract additional funding. This could be achieved as part of the Universal Credit Localised Support Services Framework described above in paragraph 3.3.

5.6 Over the next three months a workstream around Measurement & Metrics will focus on providing a baseline position and define the measures required to validate and track the savings. This is essential for the programme in demonstrating the return on investment as it is similarly operationally to provide visibility to manage the service. As we move to provide digital services analytics, measures and metrics provide managers the information to continuously improve, manage demand and align to customer need.

The Transformation Change Programme structured approach to the development of processes and release of digital services includes a 'Retirement Phase' to ensure, once digital services have gone live successfully, that old processes are discontinued and any associated costs released.

5.7 In the longer term greater usage of digital services could grow significantly, based on the estimates in the Digital Strategy. If this transpires it will give the Council a further option (alongside realising the cashable efficiencies) which is to look at how more resources could be switched to our early intervention approach. This in turn could continue to see positive changes in the community and help to drive even greater savings to the public purse through demand management (although not just to the Council).

6.0 **LEGAL IMPLICATIONS/POWERS**

6.1 The Legal implications of specific projects are assessed when those projects are being considered.

7.0 **COMMUNITY SAFETY**

7.1 The projects which improve service access for vulnerable people are likely to have a positive impact on community safety and the single view of vulnerability project will have significant roles for the People Manager and the Community Safety Manager. .

8.0 EQUALITIES

8.1 We will need to ensure that in providing more digital services that those who cannot access them are not excluded. This will mean that we will need to keep some focus on the concept of the assisted digital service for the foreseeable future. Indeed, there could be an opportunity to provide an enhanced assisted digital service in Melton on behalf of other public service agencies who may wish to remove face to face and telephone support from the locality in the future.

9.0 RISKS

9.1 The ability of the Council to implement the #Transformation Change Programme is limited by the availability of resources both financial and people. The Council is reliant upon a number of key suppliers for software and the availability of their staff to make changes and to implement new functionality. The Council also has limited internal ICT resources both in terms of numbers and skill levels and this will be impacted on by the review of ICT services. This impacts the amount of business change that can be implemented and is a critical risk factor to the programme. At the end of the day success will depend upon changing people, influencing the way in which they expect to access Council services in the future.

Probability				
↓				
Very High A				
High B				
Significant C			4	
Low D		9	2, 3, 6, 7, 8	
Very Low E			1, 5, 2	
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic
→ Impact				

Risk No.	Description
1	Capacity and capability to deliver a very ambitious change programme
2	Availability of necessary investment resources in tight financial climate
3	Loss of key personnel to other projects, initiatives & organisations.
4	Cultural and behavioural change not delivered
5	ICT delegation has a negative effect.
6	ICT Integration not achieved
7	Addressing upgrade to CMS could identify projects not accounted for.
8	Limited ability for MBC to influence key market suppliers
9	CMS business case relies upon partnering with HBDC and sharing some costs.

10.0 CLIMATE CHANGE

10.1 The ICT industry as a whole takes the issue of climate change seriously and constantly seeks to reduce ICT's carbon footprint. New ICT devices are designed to be more energy efficient and have a lower carbon footprint than the older devices wish they replace.

11.0 CONSULTATION

11.1 Management Team have been involved in producing the Transformational Change Programme.

11.2 Engagement is a key activity across the programme. This is considered essential to support the cultural and behaviour change needed to achieve the vision shown at Appendix A. Key stakeholder groups have already been identified and a number of engagement consultations have already taken place, although many more are planned. This is a key mitigation for Risk No. 4 identified in Section 9 above.

12.0 **WARDS AFFECTED**

12.1 Wards are not directly affected by these projects but all people living in the Borough will benefit from the ultimate achievement of the vision.

Contact Officers: Keith Aubrey, Christian Coltart

Date: 10 July 13

Appendices: Appendix A - Vision for Transformational Change Programme
Appendix B - Project Progress Summaries
Appendix C - Universal Credit Delivery Group Products "
Appendix D - Business Cases
- Digital Channels (WEB)
- Electronic Document Management (EDM)
- UC - Preparing Customers for Welfare Reforms
Appendix E - Programme Roles & Responsibilities
Appendix F – Product deliverables phases 1.5 & 2.
Appendix G – Financial Summary

Background Papers: Government Digital Strategy 2012
Melton BC ICT Strategy 2012