

**POLICY FINANCE & ADMINISTRATION COMMITTEE**

**15<sup>th</sup> APRIL 2015**

**REPORT OF STRATEGIC DIRECTOR (KA) AND CHANGE MANAGER**

**TRANSFORMATIONAL CHANGE PROGRAMME**

**1.0 PURPOSE OF REPORT**

1.1 To update members of progress on the outline programme, stage milestones and delivery of the critical success factors set out in the strategic business case.

**2.0 RECOMMENDATIONS**

**It is recommended that Members note:**

**2.1 The critical success factors of the Transformational Change Programme**

**2.2 The customer digital take-up figures at Appendix A**

**2.3 The progress of key product delivery milestones and the future link to the ME2E Programme.**

**2.4 The focus on 'Life Events', customer need, processes and an iterative agile approach to deployment**

**3.0 KEY ISSUES**

3.1 The Transformational Change Programme has two key themes; one to deliver significant channel shift through the development of digital services and secondly to reduce overall demand on reactive services through a more proactive focus on vulnerable people. Both require behaviour change from people and involve complex culture change amongst staff. This report centres on the delivery of the digital services theme.

3.2 An outcome focus was provided to the programme through the definition of critical success factors. These critical success factors are as follows:

- Significant Channel Shift
- High levels of user satisfaction
- Cashable efficiencies
- High staff morale

3.3 The demand baseline from which to measure progress against the first critical success factor was reported to the 3<sup>rd</sup> December 2013 Policy Finance and Administration Committee. This indicated that 67,000 customer contacts are suited to channel shift with 2/3rds of our customers having either a likely or neutral propensity to self-serve. A re-analysis of customer interactions to compare against the baseline will be reported to a future committee.

3.4 As approved by this committee on the 11<sup>th</sup> March 2014 My Account has been successfully implemented on the website and the breadth of transactions available to customers will be extended through 2015. We are encouraged by the increasing propensity for customers to access services online. A particularly positive indicator when considering the customer profile is that over 50% of new benefit claims are being received through digital self-serve. The take-up figures are provided in detail at Appendix A.

- 3.5 The first revenues and benefits processes released online in December 2014 and February 2015 respectively have been re-designed from the perspective of the customer need. On the basis of the timescales reported to the December 2013 committee this is 3-6 months later than anticipated.
- 3.6 This focus on process and customer need is best practice across all sectors and industries. Specifically within the government sector this approach is supported both by the Society of Computer and Information Technology Managers (SOCITM) and the Cabinet Office through the Government Digital Service. Integrating with back office systems to avoid re-keying takes longer than putting a form online to capture the data we think we need. But all the evidence indicates that the approach delivers better outcomes, whether that be channel shift, cashable savings, customer satisfaction or staff morale.
- 3.7 Through the process redesign method we have captured performance, cost and volume baselines alongside the mapping of current and future states. A consolidated position of these baselines will be reported to a future committee. Gateway Reviews have been introduced as a quality control process prior to go-live stage of each product release to ensure baselines are in place and product quality is customer ready. There will be an on-going iterative approach to continually adapt and refine the Gateway Review processes.
- 3.8 Electronic Document Management (EDM) technology enablement and new customer interfaces for regulatory service planning customers were deployed in September 2014. The technical deployment has driven the release of products to customers. The service currently has a re-focus onto the process and customer need with a revised beta (not in its final form) release scheduled for July 2015. Increasingly, planning on line services will allow customer input of data to directly update back office data. This is already the case for all new planning applications submitted through the planning portal and will hopefully soon be available for all comments on planning applications as well. Whilst the EDM supports regulatory services it is still problematic as a corporate system and this issue is flagged up further in the risks section of this report.
- 3.9 In the 2015 SOCITM Better Connected report the Council's website gained 3 stars against our previous 1 star. This represents an important assessment on the design, accessibility, layout and navigation of our site with a gain of 2 stars an important endorsement, placing us in the top 5% of Council's showing improvement from the same assessment in 2014. This provides a good level of confidence that we are moving in the right direction.
- 3.10 With the approval of the new Intensive Housing Management Service the Programme has committed resources to supporting the development of a new tenancy sign-up process. Early discovery phases indicated a poor service to customers with straightforward changes allowing a quick iteration of the process to deliver improvements from April 2015. The 'life event' of moving into social housing will demonstrate the interaction of a number of processes within the authority. It will be an aim of the Programme to join up these processes and simplify the journey for the customer around 'life events'. As we move forward we feel that there is still considerable scope for improving the most used customer processes by making the best use of digital technology, eliminating waste and meeting customer need first time every time.

#### 4.0 POLICY AND CORPORATE IMPLICATIONS

- 4.1 The successful delivery of this Programme is critical to the proposed new corporate Programme of "Melton Extending to Excellence" (ME2E). It is the key way in which we will improve productivity, get things right first time, make best use of technology, tackle failure demand and reduce demand. It also is a key part of the recently approved Service Strategy for customers.
- 4.2 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 Me and My Learning 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.

- 4.3 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. This work has now started and is being driven by the approach to life events described above. However, there are still a number of challenges to overcome in terms of corporate leadership, service capacity/capability, technology issues and culture before we can achieve our vision.
- 4.4 There are broadly three groups of people when assessing against their ability to use digital - traditional consumers, digital converts and digital natives. Digital natives are the young people who have grown up with digital technology all around them and they will soon become the largest single segment of these three groups and over the next 10-20 years they will become the majority of the population within Melton so this work will help us to prepare for that direction of travel.
- 4.5 In a recent speech on the [BBC's Richard Dimbleby Lecture](#) Martha Lane Fox the cross bench peer with a mission to stand up for the technology sector gave an inspiring outlook of how the public sector should be harnessing the internet and engaging those who are not using it. For those who may be digitally excluded she said "There are ten million adults in the UK who don't get the benefits from the internet. I have never seen a tool that is as phenomenally empowering as the internet, for so little effort. I have met people from all over the country, from Bridlington to Bournemouth, saying it has helped them get back to work, helped them get their life back on track. I believe it's worth spending the time showing people who haven't had the money or exposure, the benefits." And in reflecting the private sectors leveraging of the internet over the last 10-15 years she says it is time for public organisations to take up the baton. "Putting the internet at the heart of things enables you to make more interesting choices. But that requires people understanding the transformative power of the net, and how to use it to build great services. We have to embed the net into public and civic life." "I think the power of the internet to enable better services for us, the users, the citizens, consumers, educators, patients, is enormous. And we haven't really begun to tap into it."

## 5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 The annual direct cost of front line resources servicing the demand in Customer Services is circa £609,000. There are other indirect costs associated with Customer Services and there are also other costs outside of Customer Services that could be reduced as part of the programme. A saving of £75,000 is included in the budget for 2015/16. Whilst we are confident at this time that we will be able to achieve this saving, it does still rely in particular on customers shifting to use digital channels and/or processes being made more efficient/productive. It is important for these to drive the savings rather than the other way around because if we cash savings before achieving these things it will put pressure on existing channels and services.
- 5.2 The programme has considerable potential to generate cashable and non-cashable savings in a number of different ways, as summarised in Table 2. Because the infrastructure is now broadly in place, now is the time to really drive forward to achieve the vision. As stated above, this remains challenging and will require Management Team to use resources flexibly within their delegations to ensure that there is the necessary revenue and staffing resources to enable success using invest to save principles. In similar vein we will review within the next 6 months the unspent sums within the existing capital programme to ensure that we make the best possible use of monies available.

**Table 2**

Saving Opportunity	Description	Savings yield	Resource Inputs	Term	Predicted Savings (£)
Digital Take-Up -Telephone -Email -Face2Face	Shift demand to a cheaper channel and release resources serving more expensive channels.	Med	High	Short - Med	200k  Cost and demand analysis shows us
Removing data	Capture the data input when the	Med	High	Short/	

input	customer completes online, develop integration to populate the back office system and remove the need for resources to key data.			Med	that this level of savings is a difficult but achievable target. £75K included in 2015/16 budget.
Reduce failure demand	Focus delivery on the customer need, simplify the process and deliver on our promises.	Med	Med	Med	Detailed redesign work on processes will inform these savings.
Removing waste	Focus delivery on the customer need and remove steps in the process which do not meet this need.	Med	Med	Short/ Med	Detailed redesign work on processes will inform these savings.
Reduce demand from vulnerable people	Tackle the root-causes of vulnerability. Providing the customer with the skills, knowledge and confidence to be digitally, financially and socially independent.	High	High	Med/ Long	Getting people to live more independently offers the opportunity to reduce demand on services.
Ancillary cost savings	Such as postage from shifting to digital, reduced	Low	Med	Med	Detailed redesign work on processes will inform these savings.

## 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.

## 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 capability and availability of resources. The Council is reliant upon the capabilities of internal resources to deliver a technical and customer centric solution not always evident within others.. Leadership is still an issue that we need to focus on moving forward.

9.2 The risk associated to the ICT architecture (risk 4) is set as it is because the EDM system is very limited in its applicability to services outside of regulatory services and we will be testing this further over the next few months. This could prove to be a gap in our technical architecture. There is a link between risk 4 and 2.

9.3 Success of the programme will depend upon changing people, influencing the way in which customers expect to access Council services in the future and the way staff deliver and manage

these services. Therefore risk 1 is directly influenced by risk 3. These risks are being monitored by Management Team as part of the Corporate Risk Register process.

**Probability**  
↓

Very High A				
High B			1,3	
Significant C			2, 4	
Low D				
Very Low E				
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic

→  
**Impact**

Risk No.	Description
1	Savings not achieved
2	Capacity and capability to deliver a very ambitious change programme
3	Cultural and behavioural change not delivered
4	ICT architecture to support digital delivery not delivered

## 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 which 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. 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. 3 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: 15<sup>th</sup> April 2015

Appendices: Appendix A – Digital take-up figures

Background Papers:

