1 Objectives

What will the programme or project achieve/what changes will it bring about?

1.1 The Vision

Services in the palm of your hand and at the heart of your community.

This programme will meet the council’s principles, as outlined in the Corporate Plan 2015-19, by providing these key outcomes:

Public Accountability – This is a digital efficiency programme that will continue our value for money work to reduce service costs and close the funding gap left by the loss of government grants.

Citizen focused – This is our digital strategy for the organisation and will determine how all services are provided and accessed by our citizens and customers. It will provide an improved customer experience by delivering a person centred design and act as a transformational tool for the council’s relationship with citizens by driving a reduction in demand.

Increased equality – It will enable us to better coordinate all public services to create a more targeted approach to meet the needs of our most vulnerable citizens.

Active citizenship – The digital platforms within this programme will help the council to engage citizens through coordinated consultation to shape future services provision. This programme also enables a more efficient way of collaborative working between staff and citizens in decision making about local services.

It aims to achieve the following key outcomes:

- Closing the Gap – Brighton & Hove City Council faces a significant financial gap which needs to be closed; in parallel citizens and communities face an inequality gap which also needs to be closed.
• **Improving the Customer Experience** – As citizen’s expectations rise, so there is a continual need to keep improving the experience, delivering person centred design experiences.

• **Demand Management** – There are key areas where demographic change and citizen expectation is driving changes in demand, including transport journeys, social care and health services. This programme will seek to positively impact the demand profile through a combination of prevention and new capabilities to meet demand.

• **Fit for the Future** – The Corporate Plan sets out a vision for a very different Council, in a very different City, this programme will ensure that key capabilities and partnerships are in place to meet this changing role.

We will take an agile, user experience (UX) design led approach.

*When this programme has been successful, we will provide connected services that have been designed with and by citizens and their communities. The person will be at the centre, making use of self-service and self-management to manage the services they need. Citizens with complex needs will be able to co-produce their services in collaboration with the City.*

*Officers and partners providing public services will have the information they need when and where they need it, so that will be able provide efficient and effective services for citizens, communities and customers.*

In terms of user stories:

**As The City**
**We can** meet the individual’s and community’s needs, taking the right action at the right time
**So that** services are targeted efficiently; future demand is managed through early intervention

**As a citizen**
**I can** get the help and services I need from the right people at the right time
**So that** I am in control of the support and service I need and can simply get on with my life

The programme will deliver capability, outcomes and benefits through these workstreams:

The **Connected City** – integrated transport approaches, civic digital architecture, cultural digital spaces (e.g. Jubilee square as a virtual gallery space), City digital governance, linking and transport issues.

The **Connected Citizen** – from My Account, through My Life to the Digital Self, how personal and quantified self, operating in a connected city builds a different relationship with democratic, community, neighbourhood etc.

**Connected Communities** – how we develop digital civic leadership from Members and community leaders, how we ensure that digital and financial inclusion are aligned, ensuring
that digital and social are connecting in excluded neighbourhoods and group to improve equality of outcomes, digital skills for disenfranchised groups to improve opportunities for economic activity; support to Community and Voluntary Sector (CVS) for digital & cyber skills and capabilities

**Connecting Staff** – digital skills for staff, building partnerships, management and leadership in the digital age, internal social, digital driven by our cultural change programme

**Connecting for Business & Culture** – MyAccount for business, cashless payments platform, digital integration for SME sector, reward and incentivisation for spend with local retail, digital cultural sector development

These need to be underpinned by the technical capability workstreams:

- Information Management
- Customer Indexes (Citizen, Business etc.)
- Analytical Capabilities
- Cyber Security & Resilience

**Products and Value Propositions developed may include:**

- **My Account** – to include my accounts, my reports, my permits, my transactions, self-assessments, assisted self-assessments, my payments, my transport and my health and care data
- **My Account (Business)** – to include my accounts, my permits/licenses, my payments for business users
- **My Community** – Platform for individuals, community groups and third sector to offer, exchange and ask for support, advice, items and care
- **Our Data** – Data Union modelled on Credit Union to manage data on behalf of citizens and public service for public benefit, includes offer of secure personal data store for citizens recording of their data.
- **Mobile for staff** – new platform for efficient productive mobile working by staff
- **Assessments** – combined digital and mobile assessment processes for the council and City
- **Inspections** – combined digital and mobile inspections processes for the council and City
- **Community Ideas Platform** – Platform for citizens and community to contribute ideas
- **City Intelligence** – combined intelligence, insight and predictive analytics capabilities, drawing in new data science potential and existing practices.

We will deliver these capabilities through the following key approaches
• **Design** — we will put design at the centre of our practice, working with cross skilled teams at the frontline to create, innovate and design new services. We will not hamper their energy by then running every change up 20 levels of bureaucracy, but adopt an agile approach which tests it with real staff, real customers, empowering these teams to make decisions for and with their customers.
  
  - Deloitte’s survey of public sector leaders 2015 identified that 86% of leaders saw user-experience design capability as a pre-requisite to successful digital shift, but 52% saw the skills as lacking in their organisation.

• **Mobile** — the reality is that the old civic, bureaucratic model of local government was designed to maintain control within the state. Our expectations as citizens and our desire as a Council is to form a new relationship with citizens and communities. This means freeing staff from offices *where appropriate* and enabling them to interact with their customers, citizens and communities in their communities and neighbourhoods and to do what they do so well.
  
  - In the GOSS Channel Shift survey 2015 organisations viewed mobile channels as being the greatest opportunity for delivering savings

• **Customer Experience** — the evidence from private industry is that customer experience leaders significantly outperform rival companies through higher revenue and lower expenses. This includes around a 20% increase in willingness to recommend and buy again (Temkin 2012), customers spending 2.4x more (Medallia) and with 43% gain in company performance over a 6 year period (Watermark/Forrester).

• **Agile** — Agile development practices have been at the heart of the success of change across everything from the new generation of internet companies (Amazon, Google, Facebook, AirBnB etc.), to the Government Digital Service (GDS) and is core practice at many more traditional private companies (Legal and General and American Express locally for example). It essentially means that we will develop new services iteratively, producing and releasing new elements of service often and testing, testing, testing with citizens and customers whether it works for them and works for us. With room for encouraging innovation and creativity, and learning from any mistakes
  
  - London Borough of Hillingdon has underpinned its savings of 40%/£94.1 Million by agile service development.

• **Data** — We will be driven by the information and insight which can be gathered from data. Digital experiences create enormous insight through the data produced, from the behaviours of customers on websites, but increasingly through mobile channels much deeper insights based on their location, behaviour, demographics, even health monitoring of heart rate, step count. All this allows us to test new approaches, be experimental, get direct and immediate feedback from customers and either continue to improve or abandon early and at low cost what is not needed or wanted.
Full Business Case and Options Appraisal

With this comes new responsibility though and we will seek to ensure effective governance approaches and data ownership approaches to ensure the trust and privacy of citizens and customers is assured.

- A recent ICO survey and report identified that 85% of UK consumers are concerned about how their personal data is passed on or sold to others and 77% are concerned about how their data is stored.

2 Background and context

2.1 Programme Drivers

2.1.1 Transforming the Council:

Customer First in a Digital Age links directly with the council’s wider corporate transformation programme. As well as providing our citizens and customers with a much improved transactional experience it will also provide staff with the tools for greater locality based working and allow the council to provide a more efficient and targeted approach to the needs of families and communities.

Embracing new digital platforms such as MyAccount and mobile working with tablets is also key to strengthening the co-operative partnership between citizens, communities, enterprises and the council. It can drive active engagement of a full range of citizens in decision making and priority setting for council services and enable citizens to be equal partners in designing and commissioning services and in determining the use of public resources.

2.1.2 Redefining the relationship between citizen, council and community.

The harsh reality of the Council’s model of its relationship between council, citizen and community is that it is fragmented and places a burden of time and frustration on the citizen, cost on the council and fails to draw in the value of the community. The aim of this programme is to rebalance the relationship as one of partnership.

2.1.3 Shrinking finances

The other simple reality is that the rapidly shrinking financial position of the council means that we cannot continue to support the current model of practice. As the corporate plan sets out we will be significantly smaller, with stronger partnerships.

This programme aims to help ease the pain of reducing staff numbers, by transferring control over interactions to citizens, communities and customers. We will enable and encourage digital self-service and co-production and allow a leaner, better-equipped remaining workforce to focus on the jobs that only they can do, supporting and
safeguarding the most vulnerable and keeping our communities thriving and the economy growing.

2.1.4 **Improving customer experience**

The characteristics of our citizens and customers are changing, so we need to change and develop to meet their expectations. By 2020 at the end of this programme, digital natives will be the majority.

In approaching our services in this way, we will reduce the time and frustration for citizens and customers, so the new mobile, digital services that replace them are so good and provide such a level of control for the citizen – built on a new trust relationship – that citizens actively take their role. The evidence from private sector initiatives from Amazon to GiffGaff to Apple to many, many more is that when customers are given what they consider valuable – personalised and helpful services literally in the palm of their hand – they use that control to manage their own services. The unique nature of the City of Brighton & Hove, almost more than anywhere else, makes it ready and willing to embrace this approach.

Watermark/Forrester identified five key lessons from the customer experience leaders in private industry. They found that Customer Experience (CX) Leaders:

1. **Aim for more than customer satisfaction.** Shaping experiences that cultivate loyalty. Not just satisfaction.
2. **They nail the basics and then deliver pleasant surprises.** Building trust through getting the basics right, reliably and consistently and then going beyond that to the “nice to haves”.
3. **They understand that great experiences are intentional and emotional.** It requires experiences to be intentionally designed to be great and to provoke positive emotional responses.
4. **They shape customer impressions through cognitive science.** They use a deep understanding of how people act and interpret experiences, through analytics and data to better predict the outcomes of experiences.

5. **They recognise the link between the customer & employee experience.** Happy, engaged employees help create happy, loyal customers in a virtuous circle.

*People may not remember what you did, but they remember how they felt*

### 2.1.5 Increasing community engagement

There is a similar pent-up demand and desire from communities and neighbourhoods to gain control over their services, but currently we struggle to provide the targeted and tailored support to make this easy enough for the diverse members of communities. We need to harness the opportunities created through new digital forms of participation.

### 2.1.6 Harnessing the insight from data

In creating brilliant, personalised digital services, we also create a wealth of data which can be used to continually improve these services and offer new opportunities; but also to better predict and prevent the issues in communities and for citizens and allow the council to commission the right resources for the future, whether that’s packages of care for the vulnerable or the right forms of housing for the changing demographic.

### 2.1.7 Unlocking the potential of our staff

This also helps unlock the creative and innovative potential of our staff and we will provide them with the tools to do their job; making their time more productive, helping office based staff support customers and their colleagues, reducing the time they spend pushing paper, helping staff in the field spend less time in front of a computer and travelling; and making the most of all of their time and relationships supporting the vulnerable and communities.

### 2.1.8 Establishing trust

Underpinning all this has to be a renewed relationship of trust:

- To play their part, citizens must trust that the services they need will simply be delivered
- To play their part, citizens must trust that their data is being used for the interest of their community
- To play their part, communities must trust that their voice has visible impact
- To play their part, staff must feel supported, trusted and empowered

So in short we will create

*Services in the palm of your hand and at the heart of your community.*
2.2 Programme Approach

2.2.1 Creating brilliant digital experiences built on trust

The key barriers to citizens taking active control are the credibility and trust of council services. We have seen from the City Tracker results that the view of the Council has deteriorated over the past three years. User satisfaction with the Council has dropped from 70% to 40% between 2012 and 2014. We also have a baseline position of 52% of residents trust the Council however this is 7 points below the LGA average of 59% of residents.

Key lessons from private sector customer loyalty and community support models are that we must “get the basics right” - the underpinning services we create, must be built on solid reliable service, be clear, efficient and feel affordable.

On top of this we must treat customers as individuals, using the opportunities created through digital technologies, personalising their services to create brilliant customer experiences. To do this last you must invest in brilliant personalised mobile, digital experiences and empowering staff to create face to face/phone experiences which have impact.

We need to create trust that we can develop partnerships with our communities and citizens by handing control and responsibility and inviting ideas and creativity from the City. This will help give communities a louder, stronger voice and harness the creativity and innovation in the city.
2.2.2 **Designing and building brilliant digital services for citizens and customers:**

Using agile, user experience (UX) and focussed on mobile offerings we will build experiences for our citizens and customers that they want to use.

The characteristics of our citizens and customers are changing, so we need to change and develop to meet their expectations. By 2020 at the end of this programme, digital natives will be the majority. The web and mobile are becoming the dominant ways that customers interact with services. Internet access is massively widespread with mobile access by far the fastest growing usage.

Brighton & Hove is a highly digital city.

The evidence shows that Brighton & Hove has a population who will engage with us digitally:

SOCITM Better Connected 2014 shows that our website is already ranked:

- 15th nationally by usage
- 10th nationally by share of the population
- 2nd most visited English unitary authority website
- 1st most visited website in the south east.

We receive more than a 1.4 Million page views a month with 54% returning users and 50% access through mobile devices.
According to our CIPFA Contact Benchmarking 2014 –

- We have significantly higher than average broadband access from citizens at 87% (against 76% average).
- We already have very high visitor rates to our website compared to household numbers:
  - Main site visits 37.09 per household against an average of 20.79
  - Page views 112.12 per household against an average of 65.67
- We have around 600,000 email contacts per annum
- However, we have relatively low ratio of online payments per household 0.73 against an average of 1.2
- Online payments – ~100,000 transactions p/a worth £13.2 Million
- And we have very high Direct Debit rates – 7.53 per household against an average of 4.80 – which is a cost effective approach
- Direct Debits – ~1 Million transactions p/a worth £164.5 Million

For the key web-forms and transactions available at present we average 200,000 page views, so the key aim is to leverage the advantage of our high traffic and shift a greater proportion of our transactions to this channel.

2.2.3 Channel Shift Objectives

There is a standard assumption in shifting the channel customers use that we will be moving customers from phone to digital – however we need to look at the actual figures on how we are in contact with customers – Our contact model is unusual as is shown in the chart below drawn from our CIPFA Contact Benchmarking for 2014 comparing Brighton & Hove City Council contact figures against the average Unitary Authority (UA) volumes:

As can be seen our phone contact levels are already relatively low. This also means that this traditional shift is much more limited in scope for us.
However we can also see that there are significant opportunities to impact on Email, Webforms and incoming mail with end to end digital transactions – Collectively these amount to more than 900,000 transactions as opposed to less than 800,000 for phone.

Each of these 900,000 transactions will have a higher than necessary handling cost. On average a phone, email, scanned mail or face to face transaction will average cost of £2.50-£8.50 while an integrated digital transaction will average £0.15-£0.39.

The Local Government Association summarised the research on channel costs as follows:

<table>
<thead>
<tr>
<th>Source channel</th>
<th>Socitm insight May 2012</th>
<th>Socitm insight Dec 2009</th>
<th>NWeGG 2006</th>
<th>Consultant study for council partnership April 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face-to-face</td>
<td>£8.62 per transaction</td>
<td>£8.23 per visit</td>
<td>£7.81</td>
<td>£5.51</td>
</tr>
<tr>
<td>Phone</td>
<td>£2.83 per transaction</td>
<td>£3.21 per call</td>
<td>£4.00</td>
<td>£2.53</td>
</tr>
<tr>
<td>Web</td>
<td>£0.15 per transaction</td>
<td>£0.39 per visitor</td>
<td>£0.17</td>
<td>£0.17</td>
</tr>
</tbody>
</table>

The big issue with the existing older style channels (even the old webforms) is that they are not integrated, so that an email, webform or post all require a person to read, interpret, input and then act on them.

In the CIPFA/RedQuadrant Benchmarking analysis 65% of authorities identified integration as a big issue, with only 9% of service requests being fully automated. They identified data integration, culture change and demand management as the key areas of focus going forward.

The reduction in costs, principally come from removing the human element of the interaction. Phone, email, webforms and mail all principally rely on a member of staff to review, potentially input and process a transaction. The key to cost reduction is through integrated automation of processes.

So if we assumed target channel shift reductions of

- Phone – 10%
- Email Request – 50%
- Webform Request– 50%
Against these transaction volumes with a transaction cost reduction of £2-£8 per transaction it identifies a targetable saving of ~£1 - £1.5 Million per annum. This will be through a combination of costs, but mostly staffing reductions.

This is in line with the calculations by EY in the 2014 Value for Money assessment. This is also in the context of the GOSS Channel Shift survey for 2015 which for Local Authorities identifies an average expected channel shift saving of £1.5 Million. Considering the low phone contact figures in BHCC this then puts the analysis of ~£1 Million as a reasonable estimate.

Also important to note is the disproportionately high outgoing mail levels, with 1.5 Million transactions a year, three times the average for a Unitary Authority. With Outgoing Mail we also have significant printing costs as we still reply on traditional approaches to let citizens know information and ask questions. This remains a problem for both internal use and customer communication.

In 2014/15 BHCC spent £880k on bulk printing of post and signage.

2.2.4 Collecting Income

The Toynbee Hall review of Income Collection for Brighton & Hove City Council in March 2015 had the following to say as its principal finding:

“The most significant finding is that the council continues to structure income recovery through a service-specific framework, rather than taking a holistic, customer-centred view. This means that customers owing money to more than one department receive multiple communications demanding multiple payments, and the council spends more money than necessary recovering its debts, whilst simultaneously increasing stress for residents.

The main barrier to creating a single recovery process is data; while teams each maintain a unique data system for managing their work, the bias is away from cooperation and coordination and towards silo thinking. A unified data system would help; but so would centralising more income recovery within a single team, and ensuring that teams are trained to think holistically about the customer, including being given the access and training to gather and share data about other monies owed to the council. Such an approach can only lead to better outcomes for customers and to increased efficiencies for the council.”

Digital transformation can help draw together this single view both of and for the customer or citizen, improving the experience of citizens and reducing internal costs. It is reasonable to assume that an increase in income can be achieved from addressing these issues.
2.2.5  **Marketing Insights**

Analytics and insight across the council should provide significant marketing advantages – e.g. nurseries know who is a new parent, pest control should see indicators of where there is need, Cityclean can identify where there are commercial premises with a poor cleanliness record.

There is a real incongruence between the Brighton digital brand, which is attracting and growing digital economy and the image the Council portrays, with our brand fallen behind the brightest and best of the local government sector. We have the potential to leapfrog the sector by using the analytical insights available and new marketing strategies which are already so strong within the City.

Take an example of diverting a small proportion of spend towards personalised digital approaches – through extending “The Key” across all forms of transport, we could introduce incentivised travel choices – e.g. cycle or walk 9 times and you could get a free bus or parking session. However you can also differentiate these through “social prescribing” approaches, so a G.P or care worker could tailor a programme for someone who is overweight, or someone recovering from an illness.

In a similar way we could look at a community credit system feeding into city rewards, so if you volunteer in your community for x hours, you receive x additional service.

2.2.6  **Digital Inclusion**

Of course not all of the population is using digital channels and we need to be careful to ensure that we target the right service models for the right customers and we provide an inclusive approach.

We also need to acknowledge though that the opportunities presented by new digital service models can assist those who would otherwise be excluded and work to reduce the equality gaps so clearly set out in “Look Inequality: Annual Report of the Director of Public Health Brighton & Hove 2014-15”.

This identifies key inequalities including skills and education, employment gaps and the challenges being posed by welfare reform in the city.

Citizens Online set out a demographic baseline for digital inclusion in their key report in February 2015. This outlines the demographic profiles of customers and citizens who will need the most assistance. This includes the personalised support to ensure that they can better access digital services, develop the skills to help them succeed and ultimately encourage self-sufficiency in this field.

This will include strong demographic and community based targeting of service and partnership working through innovative models. This programme will work closely to ensure
that these aims are supported and new opportunities are identified through its lifetime. For example through apprenticeships and the development of new models of service.

2.2.7 Supporting Communities to Support Citizens

67% of residents in Brighton & Hove agree that people living in the area do pull together to improve it (City Tracker Nov 14), this is above the national average of 60%. 1 in 3 residents volunteer formally which is below the national average of 41%.

Volunteers in Brighton & Hove contribute 5.7 Million hours of work a year, which if paid at the Living Wage would be worth £44 Million annually.

This does suggest that finding new ways for individuals and communities to support and be self-sufficient has the potential to help close the gap not only financially but also to inequality.

Recent digital initiatives have demonstrated the powerful combination of volunteering and digital practices to both draw new people into volunteering and create new shared economy practices which could not previously exist. Examples include Casserole Club, a digital based service whereby individuals connect with older people to provide them with a meals, as a replacement to a paid meals on wheels service.

A recent NESTA review of Smart Cities initiatives “rethinking smart cities from the ground up” outlined that the most successful and impactive initiatives were the ones focused on people and their interaction with data. Like...

In Paris where the Mayor is crowdsourcing ideas to make Paris a better place and placing E500 Million behind it.

Or PiMi Airbox, a low cost air monitoring kit which citizens have and is creating a map of the air quality across Beijing.

Or BlockPooling in Singapore, a social network for communities to enable neighbours to share belongings and offer and ask for services.

These examples and more are promoted and often kick started by local government to solve the same kinds of problems as Brighton & Hove, in partnership with its communities and citizens and drawing on the new opportunities that digital technology can bring.

Brighton & Hove as a city has a thriving creative and digital sector who will help bring these ideas to life and help make change a reality.

We will commit a minimum of 5% of the investment in the programme each year to open innovation in the community.
2.2.8 Unlocking the potential in our workforce

The importance of empowering our frontline workers and partners is vital to creating brilliant experiences for our citizens, communities, businesses and visitors.

We need to respond to the needs expressed by staff in the staff survey and provide the right tools, culture and environment so staff are empowered to get on and deliver. We have a fantastic, passionate workforce. This has been born out time and time again when we talk to our customers and citizens who praise the commitment, professionalism and care with which our staff treat them, even when their overall experience of dealing with the Council is not the positive one we aspire to.

So we need to do some simple but powerful things to unlock the potential in our frontline and strengthen their capabilities at a very challenging time -

- **The right tools for the job** – We need to dedicate the same care and attention of the design and user experiences for our staff that we will for our Citizens and Communities. Providing workers with well designed, modern, simple tools that enable them to get on with their key role of working with their customers, citizens, clients and communities and supporting each other.

- **Unlocking creativity and innovation** – We need to empower staff to work with partners, customers, citizens and communities to create new services, to be innovative and radical in their approaches, breaking down the silos that still fetter their ability to act and citizens interactions with public service.

- **Driven by our insight** – We need to ensure staff, customers, citizens and communities can see the impact of their changes and rigorously test and challenge whether they are good enough. We must be driven by the data, our customer’s insight and our collective view of the intelligence in the City.

- **An agile public service intelligence service** – Bring together existing analytical capabilities from transport, customer, public health, children’s and adult services – supported by information management functions –
  - Learn from the approaches being adopted by West Sussex County Council and Norfolk County Councils.
  - Partner with local Universities to grow our talent.
  - Underpin with Data Union, create compelling propositions for citizens use allowing crowdsourced gathering of data, including health monitoring, transport etc.
  - Allows for safer partnerships with private sector providers (e.g Go Ahead group) clear arrangements about data ownership, privacy etc.
2.2.9 **Digital Demand Management**

We will embed the learning from demand management into the design of digital experiences. We focus on how digital interactions with and within communities can build new opportunities for self-sufficiency and co-support.

### 3 Benefits

*What high level financial and non-financial benefits (ie. measurable improvements) will it deliver?*

#### 3.1 Closing the Gap

See the attached financial model for detail of projected savings

Key areas of savings are:

#### 3.1.1 Channel Shift Savings

These are the savings released by moving from more expensive interactions between the council, citizens and customers to cheaper digital experiences.

*CIPFA Research paper “Delivering the Digital Dividend” states three key points very clearly that*

1. **“The potential savings from digital self-service are real”** and has used multi-national comparisons to look at the potential success or otherwise and why the UK has been poor at delivery, despite the fantastic potential.

2. It also stresses that “uptake has to be actively managed with service users and change has to be actively managed within your organisation.”

3. And “Savings are only realised when the reductions in manpower and premises requirements that self-service creates are actually taken as savings.”

The Goss Interactive Survey found estimated savings for channel shift were £1.5 Million for local authorities.

The government’s Local Digital Today 2014 survey found that average savings from digital to date by local authorities was now £1.4 Million.

The estimate of savings for Brighton & Hove City Council based on incoming channels is circa £1-1.5 Million annual (calculations are later in this document)

This is also born out by EY’s analysis of the Channel Shift opportunity in their 2014 Value for Money work.
In addition outgoing mail (postal costs) – 50% reduction from 1.5 Million items annually will save 50% of £650k = £320k

3.1.2 **Productivity savings (Mobile):**

- **Printing Costs** – increased mobility and use of devices reduces the need to print both for field staff and for meetings

Examples include 20% reduction in internal print cost against 2014/15 cost of £880k = £174k

25% reduction in printing costs from MultiFunctionDevices = £32k

- **Travel Costs** – reduction in return to base journeys reduces travel costs

The Workstyles programme has already impacted to reduce costs, but 10% reduction in staff travel costs against cost of £1.2 Million is £120k annual.

3.1.3 **Staff and Agency Costs**

Mobile, Channel Shift and Demand Management will all impact the necessary staffing/resource levels required.

- **Agency costs** – with increase in productivity and reduction in process costs there is a reduced dependency on agency to fill demand gap
- **Staff savings** – productivity savings through increased process efficiency

The savings are achieved through a number of key areas and may come from all parts of the workforce. For example:

- **Digital Channel Shift** – The majority of the Council’s many customer facing (citizen, community and internal) processes are heavily dependent on manual staff time to
  - 1. Interact with the customer/citizen gathering information and providing advice
  - 2. Input and assess data provided by customers/citizens delivering an outcome or service.
  - 3. Update and advise customers/citizens on outcomes, changes, requirements

  This will often involve the traditional tools of face to face or phone conversations backing up paper forms, note taking, computer input, assessments,

  Digital channel shift builds on the techniques of service redesign and business process improvement offering the opportunity to
  - streamline process
- automate processes
- remove staff interactions
- reduce data and process duplication across the organisation and partners

The key to scaling the benefits is to build up capabilities which are currently duplicated across the council and partners, providing a single, digital interaction for each. For example:

- Proving a citizen's identity
- Demonstrating evidence of residency
- Collecting and automating financial assessments
- Updating a customer on progress of their “case”

As much as the Council develops many unique and important relationships with its customers, there are many common functions and processes dependent on common data.

This means that the longer the programme works at developing these new capabilities the greater the opportunities to reduce the need for staff time in completing processes.

Based on the channel shift examples referenced already and the worked examples so far developed there is at least a 1:10 ratio between the cost of a fully automated digital process to a human/staff process.

As the programme scales up to move more and more interactions and processes into this model, the proportional benefits grow as capabilities already developed can more cheaply be adapted for new use cases. This provides the opportunity to more radically redesign the services, using common information and processes designed from the perspective of the customer not the council.

So as a simple example, building on the one documented above, dealing with a customer’s change of address is a common need across many areas of the council. Once a simple digital service has been developed, this can then be adapted to work with many other back end processes depending on the circumstances of the individual.

**Digital Demand Management**

Digital demand management creates staff savings and income benefits in a slightly different way. For channel shift, we are generally automating and streamlining necessary service interactions between customers and providers. In the case of demand management the aim is to either

1. Avoid that demand ever reaching the council or
2. Increase demand for income generating services.

Again the aim is to reduce the amount of work required by staff not supported by income and therefore reduce the number of staff required, or increase the income levels available.

The reduction in demand can be achieved by firstly better understanding the support individuals require and signposting more effectively. Where this is based on a strong analysis of the data, personalised recommendations can be provided through digital channels providing the advice that would take several individuals within the council to provide through a number of visits and conversations.

Equally by better personalising marketing opportunities and bringing data together to identify income opportunities relevant to the citizen/customer income increases can be achieved.

An example of demand deflection could be providing proactive emails/texts/tweets to a family with a child with autism, highlighting charitable and voluntary support and events within the local community. This proactive signposting could lead to the family’s primary route to support and advice being their community/support group, rather than the local authority.

**Mobile**

Mobile delivers savings by increasing the efficiency of staff when they are on visits and inspections. Staff are better able to answer a variety of questions and provide fuller an richer advice to customers as they can access the information in real time, without returning to the office. Equally they can complete forms and notes on site, without having to write them down and then return to the office and then type them up and input into computers.

For example a Children’s Social Worker would be able to reduce their time in the office, the amount of printing needed, the travel time consumed and carry out more visits and case work in the time available. This will help contain the significantly increased demand levels and reduce the need for agency staff. This full supports the new pod arrangements proposed.

The information is made available to other staff in real time, increasing the efficiency of process and reducing failure demand from customers chasing progress.

Staff are able to spend more of their time engaged with customers in the field, reducing travel time and cost.

Staff also no longer need to print out case details, forms etc. for going through with customers, further reducing costs.

With access to mobile devices in meetings, staff also no longer need to print documents for meetings, leading to significant reduction in printing and increased efficiency in their time.
typical meeting of 10-12 staff will have 10-12 copies of a document printed for the meeting and then disposed of after the meeting. Large meetings (for example committees) with considerable volumes of documentation have this issue at a larger scale. For example, recent estimates are that just by removing or reducing printing from committees could save £30,000 or more.

**Targeted 1% reduction each year in staff costs for frontline services through digital, mobile and service transformation = £1.2 Million per year of transformation**

1% is at the bottom end of potential savings, the largest potential is through more aggressive targeted de-duplication and service redesign – for example Assessments, Debt Recovery and Inspections are major tasks that are undertaken by the authority but are broken up with additional costs leading to a poor customer experience and high internal costs.

**With the programme in place and a clear mandate the programme can do the discovery work to identify the cost savings against these major areas of duplication.**

*Post handling costs* – increase in digital channels reduces need for post handling including post room and scanning costs across multiple teams. So for example moving a transaction from being handled by paper forms which are posted out to customers and then returned to the council, scanned in and then reviewed by staff to being offered as a digital service will reduce the costs as follows:

- printing the correspondence
- staff handling the outgoing post
- postal costs
- staff handling the incoming post
- staff scanning the incoming post
- staff reviewing and acting on the incoming post

In many of these examples we also find that the information received by post is incomplete, so one or more additional cycles of writing out to the customer and dealing with incoming correspondence is required, each with their own costs. As noted above there is significant scope for reducing both the outgoing post (1.5 Million items) and incoming post.

**3.1.4 Additional Income**

Driving additional income from customers through strong and positive customer experience, means customers choose to pay for more service throughout their customer journey. The evidence from private sector customer experience leaders is that customers buy 2.4 x more service, choose to stay with brands for longer and recommend and advocate for the brand 20% more. There is opportunity therefore to both create new services which we can charge for and drive further uptake of existing services.
There are therefore some opportunities to drive more income with some limited opportunities to reduce transaction costs. Based on the initial targeting of the Income and Debt Management Programme a target of £400k is indicated.

3.1.5 Demand Management Savings

There are a variety of estimates on the size of the opportunity in deflecting demand into community support and self-sufficiency. These are commonly at the level of 10-15% of current revenue cost (e.g. imPower and RSA reports). However it should also be acknowledged that demand across the most costly services continues to increase. This is particularly seen across Adult Social Care and Children’s Social Care creating an increasing pressure on the budget positions of these service areas.

A broad estimate has been used that this of the same order as the core channel shift savings. This savings area will require careful tracking by targeting particular forms of demand and ensuring that monitoring against existing projections are maintained through the life of the programme.

3.2 Improving the customer experience

Core to the programme is the impact on citizens and customer experience. The programme will aim to improve the following key indicators:

3.2.1 Customer Satisfaction
Increase from average 81% to average 90%

3.2.2 Ease of Effort
Increase from average 66% to average 80%

3.2.3 Trustworthiness of the Council (City Tracker)
Increase from 52% to 70% by 2020

3.2.4 User Satisfaction with the Council (City Tracker)
Increase from 40% to 60% by 2020

3.3 Demand Management

The RSA’s summary and analysis of research on Demand Management (Managing Demand, Building Future Public Services) outlines that the use of key approaches has the potential to make significant savings (10-15% of revenue) and improve the resilience of the local government sector.

The programme will look to harness key approaches from this area to reduce, deflect or in some areas increase demand for services to encourage a more appropriate and affordable balance of who and delivers service. This will include approaches on
3.3.1 Community leadership
Recognise that demand is political – transformative change requires political buy-in, and it is vital that local politicians lead new collaborative conversations with citizens.

3.3.2 Building insight
- get closer to communities – creating the methods to generate deeper insight into the needs, wants and aspirations of citizens. Like in Lambeth and Sunderland.
- Get beyond the services and build new partnerships – as Oldham Council’s work in addressing transport and energy costs demonstrates.

3.3.3 Changing behaviour
- Leverage emerging data on outcomes and behaviour
- Build trust to change behaviour – long term behaviour change requires a two-way relationship, with responsibility on both citizens and state, and high levels of trust between them. This is a challenge for all public agencies, but Ipsos MORI find that 79 percent of citizens trust their local council to make ‘difficult decisions’, as opposed to 11 percent for central government.

3.3.4 Changing the system
- Think whole system, whole place – managing future demand will be about scaling up isolated, service-based practice and embedding a culture shift across public organisations.
- Work collaboratively across agencies and sectors – the default assumption for local public services should be for outcome-focused collaboration around the holistic needs of citizens.

KPIs will be developed early in the life of the programme to monitor the effectiveness of demand management practices in the context of new digital services.

3.4 Fit for the Future
The programme will through its life will develop new and changed capabilities within the City and the partnerships to properly support and deliver them.

These will include:

- **Digital Development** – building on the brilliant creative digital sector in the City
- **Public Service Analytics and Intelligence** – drawing together the excellent practice already in the City with new predictive capabilities
- **A co-operative Data Union** – modelled on the Credit Union concept to hold, manage and draw value from citizen’s and public service data
There will also be radically transformed services, designed around the citizen for key, common types of service, including:

- Assessments
- Inspections
- Income Collection

## 4 Options appraisal

### 4.1 Option 1 - End Customer First in a Digital Age Programme March 2016

<table>
<thead>
<tr>
<th>1. Description of the option</th>
</tr>
</thead>
<tbody>
<tr>
<td>This option represents the equivalent of a “Do Nothing” Option, which in this case means stopping all existing work on MyAccount, Digital Development and Mobile when the existing ICT Investment Programme ends, March 2016.</td>
</tr>
<tr>
<td>End Customer First in a Digital Age Programme March 2016 when the existing investment from the Modernisation Fund and ICT Investment Programme ends.</td>
</tr>
<tr>
<td>End the existing developments following this end of current investment period, as per the current funding agreement.</td>
</tr>
<tr>
<td>MyAccount, Mobile and Information Management improvements will therefore end after March 2016. As the development of these is not possible within existing resources, no further development of these solutions and services will be possible after this date. This will lead to existing planned service redesigns and demands from services for new service redesigns and savings being impossible to deliver.</td>
</tr>
<tr>
<td>This will put at risk the savings plans from 2016/17 onwards.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Is this the preferred option?</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Cashable benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>No new benefits delivered and existing planned service redesigns and predicted savings by departments will need to be reviewed for the feasibillity.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Non-cashable benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current situation</strong></td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
</tbody>
</table>
# Full Business Case and Options Appraisal

## 5. Costs*

<table>
<thead>
<tr>
<th></th>
<th>2016/17</th>
<th>2017/18</th>
<th>Total (both years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No new costs incurred</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Totals (per year) &amp; grand total</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

## 6. Funding

No further funding

## 7. Resources

*What staffing resources are required to deliver the programme or project?*

n/a, programme closed, staff returned to substantive posts or let go at end of contract

*Are any specialist skills required to deliver the project (beyond those identified above)? If so, how will these be acquired?*

n/a

## 8. Risks and opportunities (of this option)

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Potential consequences</th>
<th>Likelihood (1 = almost impossible, 5 = almost certain)</th>
<th>Impact (1 = insignificant, 5 = catastrophic/fantastic)</th>
<th>Mitigating controls and actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closure of programme before products and services widely adopted and embedded</td>
<td>Benefits of existing investment not fully realised. Development of MyAccount and Mobile only possible by sponsorship/funding of individual customers</td>
<td>4</td>
<td>4</td>
<td>Pursue individual customer teams/departments for elements of funding to continue more limited work</td>
</tr>
</tbody>
</table>
### 4.2 Option 2 – Small Scale Team

**1. Description of the option**

Under this option the core small investment in technology will be supported by a small team.
Without and scale and the ability to work in a deep way with services and at pace to deliver capabilities, progress will be slow and the scale of benefits will be significantly lower than option 3.

### 2. Is this the preferred option?

No

### 3. Cashable benefits

See financial model

### 4. Non-cashable benefits

<table>
<thead>
<tr>
<th>Current situation</th>
<th>Benefit expected</th>
<th>Measured outcome that you hope to achieve</th>
<th>How will the benefit be measured?</th>
</tr>
</thead>
<tbody>
<tr>
<td>See text in business case</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 5. Costs*

<table>
<thead>
<tr>
<th></th>
<th>2015/16</th>
<th>2016/17</th>
<th>Total (both years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>See attached cost model (2)</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Totals (per year) &amp; grand total</td>
<td></td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>
6. Funding

£0.5 Million technology investment is the existing amount within the ICT Fund and already included in the MTFS.

The additional £0.5 Million brings the total annual cost to £1 Million, which is half of the already indicated revision to the MTFS Investment Level of £2 Million reported to Policy and Resources Committee on 9th July 2015.

The funding model shows a borrowing assumption for the annual investment sum of £1 Million with all borrowing costs included in the model.

Service Pressures to support the new capabilities will need to be met by increases to revenue budget, under this model the service pressure will exceed the savings in 16/17 by £165k, but from 17/18 can be met by the savings generated by the programme.

7. Resources

What staffing resources are required to deliver the programme or project?

See cost model, resourcing is modelled as same for options 2 & 3

Are any specialist skills required to deliver the project (beyond those identified above)? If so, how will these be acquired?

There are a variety of options on how to acquire the resources, including

1. Recruit Internal
2. Shared Service
3. Outsourced
4. Hybrid internal and partner

All options will be considered alongside the Support Function Review.

8. Risks and opportunities (of this option)

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Potential consequences</th>
<th>Likelihood (1 = almost impossible, 5 = almost certain)</th>
<th>Impact (1 = insignificant, 5 = catastrophic/fantastic)</th>
<th>Mitigating controls and actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shift in BHCC strategic approach over lifetime of</td>
<td>Inability to deliver return on upfront investment levels</td>
<td>3</td>
<td>4</td>
<td>Delay start of programme</td>
</tr>
</tbody>
</table>
### Full Business Case and Options Appraisal

<table>
<thead>
<tr>
<th align="left">borrowing reduces opportunity for savings</th>
<th align="left"></th>
<th align="left">pending more detailed engagement through development of four year financial plans. Review scale of opportunities available.</th>
</tr>
</thead>
<tbody>
<tr>
<td align="left">Chosen Support Functions Review option for service delivery of ICT does not support opportunity to deliver programme</td>
<td align="left">Leading to inability to deliver programme benefits and return on investment</td>
<td align="left">3</td>
</tr>
<tr>
<td align="left">Upfront analysis of benefit opportunities not adequately robust</td>
<td align="left">Leading to inability to deliver return on investment</td>
<td align="left">3</td>
</tr>
</tbody>
</table>

#### 9. Outline programme or project plan

#### 10. Stakeholder consultation

Stakeholder consultation has taken place with the Executive Leadership Board and respective DMTs to identify required and planned benefits and capabilities required. Only a limited set of the capabilities and plans will be met under this option.
11. Equalities
EIAs will be developed for all relevant new capabilities and in support of the impact of staffing reductions. Digital Inclusion will remain an important element of ensuring that equalities impacts are not disproportional.

12. Sustainability
n/a

4.3 Option 3 - Scaled Team

1. Description of the option
Under this model a scaled up team is established allowing the programme to address multiple service areas and capabilities and move at pace to deliver savings and benefits.

Under this model, BHCC borrows/funds only one year ahead of costs to be incurred. This allows for the Board to reduce or increase the funding with the scale of its ambitions. So if the model is found to be working effectively it can be scaled up, while if the circumstances change and this is no longer the required approach it can be scaled down or stopped.

Allows for smaller financial exposure if model is not proven to work or
Allows for increased funding if model proves successful

Resourcing to be managed initially on a 2 year fixed term/ 2 year contract basis, allowing for review by CFDA Board against success criteria approaching the 2 year mark.

2. Is this the preferred option?
Yes

3. Cashable benefits
Base model has a return on investment by 2020/21, see financial model for details

4. Non-cashable benefits

<table>
<thead>
<tr>
<th>Current situation</th>
<th>Benefit expected</th>
<th>Measured outcome that you hope to achieve</th>
<th>How will the benefit be measured?</th>
</tr>
</thead>
<tbody>
<tr>
<td>See text in business case</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. Costs*

---

*Costs*
### Full Business Case and Options Appraisal

<table>
<thead>
<tr>
<th>See attached model business case 3</th>
<th>2015/16</th>
<th>2016/17</th>
<th>Total (both years)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals (per year) &amp; grand total</strong></td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>
6. **Funding**

See attached business case model (business case 3)

7. **Resources**

*What staffing resources are required to deliver the programme or project?*

See attached business model

*Are any specialist skills required to deliver the project (beyond those identified above)? If so, how will these be acquired?*

There are a variety of options on how to acquire the resources, including

1. Recruit Internal
2. Shared Service
3. Outsourced
4. Hybrid internal and partner

All options will considered alongside the Support Function Review.

8. **Risks and opportunities (of this option)**

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Potential consequences</th>
<th>Likelihood (1 = almost impossible, 5 = almost certain)</th>
<th>Impact (1 = insignificant, 5 = catastrophic/fantastic)</th>
<th>Mitigating controls and actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shift in BHCC strategic approach over lifetime of programme reduces opportunity for savings</td>
<td>Inability to deliver return on upfront investment levels</td>
<td>3</td>
<td>2</td>
<td>Close early or redirect investments, exposure limited by lower upfront borrowing</td>
</tr>
<tr>
<td>Chosen Support Functions Review option for service delivery of ICT, does not support opportunity to deliver programme</td>
<td>Leading to inability to deliver programme benefits and return on investment</td>
<td>3</td>
<td>4</td>
<td>SRO to ensure alignment of SFR with programme requirements.</td>
</tr>
<tr>
<td>Upfront analysis of</td>
<td>Leading to inability to</td>
<td>3</td>
<td>2</td>
<td>Ensure that</td>
</tr>
</tbody>
</table>

---

31 | Page
Last updated 14/05/15
### Full Business Case and Options Appraisal

<table>
<thead>
<tr>
<th>Benefit opportunities not adequately robust</th>
<th>Deliver return on investment</th>
<th>Structuring of resource costs have appropriate break points to allow change of approach (e.g. 2 year fixed term contracts). Lower upfront investment mitigates against financial exposure</th>
</tr>
</thead>
</table>

#### 9. Outline programme or project plan

#### 10. Stakeholder consultation

Stakeholder consultation has taken place with the Executive Leadership Board and respective DMTs to identify required and planned benefits and capabilities required. These requested capabilities and plans can be met under this option, but will still require careful prioritisation by the Board.

Close relationships are being established with other parts of the modernisation portfolio, as it expected that requirements and need for new solutions and capabilities will also be fed by these projects and programmes.

For example the Income and Debt Management and BPI programmes will identify opportunities to be developed with CFDA. The following digram tries to show how theses relationships could flow.
11. Equalities

EIAs will be developed for all relevant new capabilities and in support of the impact of staffing reductions. Digital Inclusion will remain an important element of ensuring that equalities impacts are not disproportional.

12. Sustainability

n/a

5 Authority to proceed

This business case needs to be approved via the appropriate governance route before the programme or project can be implemented. Please complete the table below to confirm where this authority was obtained. Please ensure the agreement was minuted.

<table>
<thead>
<tr>
<th>Meeting where authority to proceed was obtained</th>
<th>Date of meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>