CABINET   **AGENDA ITEM: 9**
8 JANUARY 2015

Digital Transformation

Cabinet Member   Cllr Brenda Hull
Responsible Officer   Liz Reeves, Head of Customer Services

Reason for Report: To inform Members of the digital transformation plans for Mid Devon District Council. This programme of work is needed to ensure we continue to provide services for our customers that are appropriate and efficient within a reduced budget**.**

RECOMMENDATION(S):
1.   **To approve the Channel Access Strategy 2014-2017.**
2.   **To approve additional one-off expenditure, shown in appendix 2, for the digital transformation programme 2014-2017.**

Relationship to Corporate Plan: To ensure that people have access to the services they need, particularly those on low incomes and those who are sick or disabled. People also need easy access to information about services at the right time and in the right place whether that is by telephone, website or face-to-face.

Financial Implications: We have to generate savings both directly and indirectly for our own business effectiveness and because central government settlements are decreasing in value. Investment is needed to analyse and potentially redesign our business processes and customer transactions. This will inform our transformation programme to create digital services using existing and where appropriate new technology. The capital investment will ensure we can continue to provide effective services with reduced resource and budget.

Legal Implications: Any new methods of service delivery must ensure we are able to continue to meet our statutory duties and maintain data security.

Risk Assessment: All the risks associated with this programme are recorded and will be closely monitored.

1.0   **Introduction**

1.1   In November 2013, work started on a digital transformation programme for Mid Devon District Council.   The aim of the programme is to create a customer focused business where our customers can use self-service or can be assisted to access our services.

1.2   With reducing budgets and continued pressure on resource any changes in how we deliver our services must be able to reduce costs directly or provide a platform for future cost reductions and must simplify customer interactions.

1.3   The transformation agenda means we need to rethink how we work, to review customer contact and transactions and to streamline processes from start to finish. Service review includes both external and internal transactions, by

making our working practices as efficient as possible, savings will be made in time and resource.

1.4 Each service has been involved in the analysis and has provided details of how digital transactions could improve the service provided, this has informed the priorities for the digital transformation programme.

2.0 **Transformation priorities**

2.1 As a result of the analysis completed the programme for change will focus on:
- A new website, that is transactional, easy to use and that will render to mobile devices.
- Improved and integrated on-line forms to enable self-service and reduce back office administration.
- Mobile working to improve information available to staff when visiting customers off site, reduce office space and improve administrative efficiency.
- Improve and extend the use of Document Management Systems (DMS) this is required to enable mobile working.
- Implement texting (SMS) as a new additional access channel.

2.2 In addition a review will be carried out with each service to implement digital services. The review will focus on the top transactions for that service and the needs and preferences of their customers as outlined in the Channel Access Strategy.

3.0 **Why do we need to change?**

3.1 The Council receives contact from customers in a variety of ways. In 2013-14 we had 110,641 visitors to our offices for enquiries or to make payments, answered 403,594 phone calls (in the call centre and direct to officers) and received over 800,000 emails. Add to this contact by post, internet, Facebook and Twitter, we received in excess of 1.3 million contacts from our customers during the year.

3.2 The number of contacts is increasing year on year; traditional contact volumes have increased by 10% since 2010 add to this, new methods of contact such as online applications and social media and the increase in customer contact is realistically in the region of 15%. The variety and method of contact is changing and our current working practices make this difficult to manage. Customer expectation has also changed, a more immediate response is assumed when using digital contact such as email, online or text. To meet this expectation we need to rethink our working practices, create efficient digital processes that help to remove avoidable contacts and ensure we can respond to the ever increasing method and volume of contacts.

3.3 Our full time equivalent staff (FTE) levels have decreased by 50 since 2010. We have continued to provide both statutory and non-statutory services with a reduced workforce. The Customer First project has contributed to this by creating a central admin and call centre team to deal with customer contacts. Significant savings have been made already but we will not be able to

continue to meet the increasing demand within budget unless we change how we work or reduce or cease some of the services we provide.

3.4 In 2010 our council tax property base was 33,477 this has increased by 1,277 properties to 34,754 in the 2015 tax base, increasing the services we need to provide and this upward trend will continue while staff levels and budgets reduce.

3.5 How customers want to transact with us is changing, in a survey with the citizens panel 90% had access to the internet at home and 63% said they had used our website, 60% had smart phones and 71% of them had used these devises to access our website. The survey also confirmed that the preferred method of contact was email.

3.6 National figures show the trend towards smart phones and other mobile devises as a preferred method of access to the internet. This is an economic choice for some customers who cannot afford a land line and chose only mobile technology.

3.7 Customers expect to contact organisations by email or other digital channels and to be able to transact with services at times to suit their own needs. Our service standards have focused on contact in person over the phone and by post, but now need to include on line contacts, email and social media.

3.8 The increase in housing in Mid Devon combined with the new range of access channels, means we will struggle to keep up with demand unless we either employ more staff or improve our processes to remove the need for more staff. The digital transformation programme aims to provide self-service where appropriate and improve working practices to remove duplication, automate where possible and remove low-value contacts i.e. follow up contacts.

4.0   Investment in digital transformation

4.1 As budgets reduce the challenge to provide services will increase. The target outcomes for the digital programme are at appendix 1.

4.2 Customer contacts are increasing and will continue to grow. The digital transformation programme will provide a sustainable means of dealing with increased demand with less staff and resource. Moving customers to self-service will contain the impact and remove the need for additional administration and customer service front line staff to cope with the demand. Customers that do not want to use digital and automated services will still be able to use assisted service.

4.3 The range of services we provide require complex systems that need to be secure and retain customer confidentiality. To deliver digital services information from these data bases need to feed into one access point for customers. Careful process mapping, analysis and redesign is essential to create digital transactions that are easy to use for customers and reduce administration and inefficient working practices.

4.4   The return on investment on digital transformation will be made by, reducing our printing, stationary and postage costs, freeing space in our buildings and reduced staffing. These measures will provide digital services that customers want to use and ensure we are able to meet increased customer contacts and continue to provide services within budget.

4.5   Estimated savings identified from digital transformation include:

- Reduce postage by 20% (2013/14 spend £154,322 20% saving) = £30,864

- Reduce printing by 20% (2013/14 spend £43,448 20% saving) = £8,689

- Reduce staffing (estimate 5 FTE scale 7 £28,054 x 5 saving) = £140,270

- **Initial estimated annual saving = £179,823**

- Plus additional savings will be made by enabling a reduction in requirement for office space and equipment.

4.6   The return on investment will be long term as once customers move to new digital channels these will become the channel of choice. Service reviews will be embedded in the culture of the council and will ensure efficiency savings continue. The additional start-up costs for the first two years are detailed at appendix 2 and will be repaid by the year on year savings noted at paragraph 4.5

4.7   Failure to move to new automated and self -service transaction will mean the council is not able to respond to customer needs. Business and other organisations are moving to digital platforms and we need to be able to work in the environment that will become the norm.

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Circulation of the Report: Cllr Brenda Hull, Management Team

List of Background Papers: Project Initiation Document, Channel access strategy.

Appendix 1
Extract from Project initiation Document (PID)

Products:
- Develop a Digital transformation strategy that supports channel shift.

- Enable mobile working, taking our business with us wherever we go. – issue mobile devices e.g. tablets

- Enable customers to contact us using mobile devices. – mobile enabled web site

- Implement Social network services listening tool to discover customer insight over various media such as twitter and other social media

- Enable alerts and messaging to customers – SMS gateway

- Implement a data warehouse solution to enable a single view of the customer, to support a customer portal and enable greater analysis of customer requirements

- Implement an extranet/customer portal to enable customers to access their own information for self service.

- Implement Live Chat to provide mediated online service

- To provide public Wi-Fi to promote online self service

- To provide additional meeting room/training space/colocation space by 20% reduction in desks and storage required for officers (mobile/home/hot desking)

- To create a champion group for the programme using key people from each service to promote digital transformation in their service

Outcomes
- Reduced front line contact – Face to face and phone by 20% over the next 5years

- Increase interactions on line that allow customers to self-serve, using systems that wherever possible integrate with back office systems, improving processing times and reduce printing and paper retention costs

  o Implement payment kiosk in Phoenix House 2014

  o Implement Customer Portal 2017

  o Improve online forms and increase usage from 1% to 10% of customer interactions

  o Increase use of scanned or electronically saved documents and free up additional floor space currently used for filing

- Continue to deliver services that are needed but with less resource

  o Still meeting performance indicators but on reduced budgets

- Standardise internal processes across the organisation

  o Measure savings on each process reviewed and revised

- Increase scanning at post opening and at front line delivery to reduce double handling, printing costs and paper storage

- o Scan all documents at post opening and received at reception by 2017

- Reduce or remove paper forms (internal and external) that need to be scanned or keyed into systems

  - o Reduce use of paper forms by at least 20%

- Enable electronic delivery of work from scanned images using work flow that will support mobile and home working and reduce paper retention and printing costs

  - o All services to receive 'post' using workflow by 2017

  - o Issue tablets to mobile officers

- Create a customer focused approach to service delivery that encourages a consistent "one council" approach at the first point of contact

  - o Customer service training to all staff

  - o Enable electronic viewing of plans in reception by installing large monitor

Appendix 2

ICT have a limited capital programme for technology.

To support this major investment project capital investment needed is itemised below:

Table 1

Resource required	Budget required	New expenditure
Project support Staff		
1 FTE scale 7 to provide a Uniform systems admin role for the implementation of Uniform enterprise. This covers work for planning, EH, property services, private sector housing, parks and open spaces.(JD for equivalent post already exists)	£28053 (includes on costs) Temporary 2 year contract	£56,107
1FTE estimated at scale 9 to back fill in services as work on digital transformation is carried out. The scale and duration of contract will vary for each service and may be lower than scale 9 if the back fill is for administration but may also be higher if experienced agency staff are required. £28,922 plus on costs	£36152 (includes on costs) temporary and varied contracts for 2 year period.	£72,305
1 FTE to assist with on line integration into back office systems Scale 9	£36152 (includes on costs) 2 year contract	£72,305
Total for period of project		£200,717

Existing capital programme to deliver digital transformation includes:

Table 2

Improved website (Improved on line forms to increase digital transactions that are integrated into our back office systems).
Text messaging facility (Additional communication channel for providing information to customers).
Tablets or other mobile devises (develop mobile working)
Improve telephony/unified communications

All the items in table 2 are included in the 2015/16 capital programme and have already been considered at PDG and budget meetings. The expenditure is essential to ensure we can continue to deliver business as usual and respond to modernisation of technology.