

**ASHFIELD DISTRICT COUNCIL**



Council Offices,  
Urban Road,  
Kirkby in Ashfield  
Nottingham  
NG17 8DA

## Addendum

## Cabinet

Date: **Monday, 15th July, 2019**

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Time: **1.00 pm**

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Venue: **Council Chamber, Council Offices, Urban Road,  
Kirkby-in-Ashfield**

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## **ADDITIONAL PAPERS**

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**6. Digital and Service Transformation Programme**

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<b>Report To:</b>	<b>CABINET</b>	<b>Date:</b>	<b>15th July, 2019</b>
<b>Heading:</b>	<b>DIGITAL AND SERVICE TRANSFORMATION PROGRAMME</b>		
<b>Portfolio Holder:</b>	<b>COUNCILLOR JASON ZADROZNY – LEADER OF THE COUNCIL</b>		
<b>Ward/s:</b>	<b>ALL</b>		
<b>Key Decision:</b>	<b>YES</b>		
<b>Subject to Call-In:</b>	<b>YES</b>		

## **Purpose of Report**

The purpose of this report is to present to Cabinet the Corporate Digital and Service Transformation programme, current progress, and proposed future approach, with indicative costs, benefits and timelines.

## **Recommendation(s)**

- **Consider progress of the current Digital and Service Transformation programme, and the initial benefits delivered.**
- **Approve the overarching business case and direction of travel set out in this report**
- **Approve the release up to a further £100k from the Corporate Change reserve to be committed to the digital transformation programme.**
- **Delegate to the Corporate Finance Manager in conjunction with the Finance Portfolio Holder the allocation of funding from the corporate change and technology investment reserves to support the programme, and the use of capital receipts via the Capital Receipts Flexibility Strategy where appropriate**
- **To report back to Cabinet at 6 monthly intervals in order to report progress against programme delivery, benefits realisation and return on investment tracking.**

## **Reasons for Recommendation(s)**

As reported to Cabinet in June 2018, demand for public services and expectations of levels of service are ever increasing. Residents and businesses expect to be able to access their services from multiple locations and in ways that suit them. Many organisations and councils have moved towards customer centric ‘digital first’ approaches which provide convenient and accessible services in order to match these customer expectations, a key focus of improvement as our communities continue to

conduct more and more aspects of their life online for example through their banks, retailers, prescription services and ever expanding central government services such as vehicle tax, passport applications and voter registration.

Digital transformation is focussed on changing the way we deliver services.

This report presents to Cabinet a vision and blueprint for a digital and service transformation programme, indicating how technology can potentially be a catalyst for improving the way the Council will work with and support local residents, partners and businesses on the journey to becoming a digital Council and digital Place. It should be noted that the Council will always retain face to face service and other channels to help those that cannot make use of digital access.

The Council faces future challenging financial targets in order to ensure a sustainable Medium Term Financial Strategy (MTFS) is delivered. We are confident that the programme will deliver future savings and efficiencies as demand for services and residents' expectations of the quality of front-line services continue to rise. The digital transformation programme will assist with addressing the joint challenges of the need to continue to make savings with the increasing expectations of customers for a high-quality service.

### **Alternative Options Considered**

*(with reasons why not adopted)*

Our current Medium Term Financial Strategy will require approximately 30% reduction in spending. Cross organisational efficiencies of this magnitude are most likely to impact:

- Those services with the largest teams with the most ability to reduce employee capacity – particularly frontline services such as waste and environment, housing repairs, revenues and benefits, planning and regulatory services.
- Discretionary functions which could be reduced or ceased, such as community protection.
- Key services which support vulnerable customers which could also be reduced or ceased.

Doing nothing is not considered an alternative option. The organisation is already incurring significant additional costs to replace out of date systems, however this is being undertaken in an ad-hoc, silo-based manner, limiting the ability of effective, joined-up transformation which is focussed on the customer, delivers value for money, and enables a slimmer more efficient and productive organisation. Our current approach is less likely to deliver the level of efficiencies required over the next three years.

Some organisations have chosen to take a heavily consultant led approach, being significantly supported by experts, and reliant on this support for an extensive period. Although this approach is highly likely to deliver transformation benefits, being the most costly option, the return on investment is estimated to take in the region of four to five years.

This report suggests a more balanced approach, with the ability to find and deliver transformation and efficiencies, using a blend of external specialist support for an interim period mixed with growing internal capacity and skills.

## Detailed Information

### 1. Challenges facing Ashfield and the Case for Change

#### 1.1 Customer Perspective

- Several demand touchpoints exist across the organisation, based on service silos, dealing with various levels and types of demand (complex and transactional). Our Customer Services Team is very small, consisting of only 6 FTE, covering face to face provision across the three district offices as well as answering calls to the central council telephone contact number. As a result, 71% of calls answered by the customer services team are passed on with more than half of these being diverted to our direct dial numbers, thereby further passing the customer on. It is a common occurrence for customers to be passed several times across services, without the capability for their query or request to be dealt with at one single touchpoint.
- Within our service silo processes are designed by the business from a functional perspective rather than customer centric, or considering the customer journey end to end.
- Call answering (not abandoning) rates in 2018/19 were reasonably good (around 92%), however with a silo based approach the organisation doesn't work corporately to deal with peaks in call demand, only for specific projects, the average call answering rates are therefore impacted by varying performance within these service silos. Ability to answer calls, or to have fewer abandoned calls is a key customer call centre industry measure. Benchmarking against industry performance standards has been difficult to source, however, Housemark benchmarking includes housing service contact data. 2016/17 Housemark top quartile performance for calls answered was 93.7%, indicating the council's position as a whole being around average comparatively.
- It is estimated that 80-90% of demand relates to residents who are 'in balance'. The remaining 10-20% having complex needs which may take 80% of our capacity to deal with. We do not have a robust means of understanding transactional and complex demand levels.
- Service areas receiving the most demand are waste and environment, housing and revenues and benefits.
- There is no single view of the customer, the customer is dealt with by the service in relation to that service function alone. Our current 'spaghetti' systems map and associated processes are inefficient, costly and confusing for the customer, requiring the repeat of information when accessing services. Customers don't have a single log on where they can see progress on applications and requests, update their information or make new applications. Customer information is not joined up and therefore very often our customers are being passed around, or have the need to chase us for information. Many customers attempt online services and when these fail



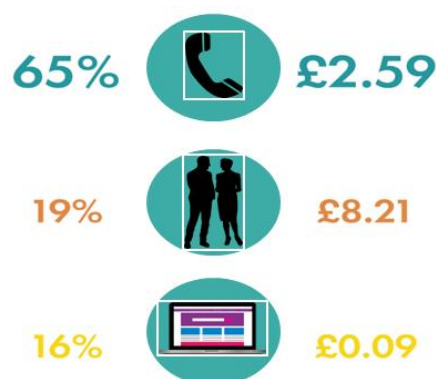
they resort to contacting us via telephone or face to face. Customers are attempting to be more digital however we are not set up to respond.

Most of our customer journey mapping scenarios identified opportunity to reduce failure demand through more effective and efficient processes facilitated by digital technology to enable the customer the ability to self-serve.

- 37% of businesses are now signed up for business rates e-billing, through the revenues portal, however only 2.6% of council tax payers are currently signed up for e-bills. Many of our customers use the portal to view their account but do not receive their demands or notifications electronically. A strategic campaign to reduce paper bills and ‘nudge’ customers to sign up for e-billing, particularly business rate customers, promoting the customer benefit, has the potential to realise significant efficiencies in the region of £20,000 based on around 30% take-up of council tax e bills (based on 16,831 households being signed up to e-billing and 80% of business rate accounts (3,055 businesses being signed up to e-billing). This level of take-up would require willingness of the customer as unfortunately the legislation does not allow us to force people or businesses onto e-billing.
- There is no joined up corporate customer service approach or consistent use of service standards. A cross organisational working group has been established to consider this. The organisation has also recently become a member of the Institute of Customer Services (ICS), initially for a two year period, with the intention of utilising ICS resources and support for:-
  - Helping us to understand our customers, potentially utilising ICS frameworks and techniques, developing customer experience insight, benchmarking with other sectors
  - Helping us to understand what steps can we take to achieve a more customer centric organisational culture
  - Developing relevant customer satisfaction measures around trust, accessibility, effort to engage with the council and reputation.
  - Accessing the ICS customer services skills training programmes at reduced cost.

## 1.2 Financial Perspective

- Two-thirds of customer demand is received via telephone, estimated to cost the organisation £593k per annum based on demand data and SOCITM channel costs. This equates to over 3,000 households worth of District Council Tax (£185.46 per property Band D). If half of our customers who use the phone as a primary method of contact switched to using the website instead the Council would save around £300,000, some of which could be spent protecting frontline services and supporting vulnerable people.
- Face to face contact is also estimated to cost the organisation around £452k per annum.





- Paypoint and post office transactions have increased significantly as a consequence of the closure of our cash offices, costing the organisation £38,800 in 2017/18 and £51,400 in 2018/19, due to the transaction charges for each payment made through this channel. It also takes approximately 7 days for the funds to reach the council's accounts via this payment channel.
- In 2018/19 71% of council tax payers and 49% of tenant rent payers used direct debits as a means of making payment to their account. On average, in 2018/19, 5,395 paypoint and post office council tax payment transactions were made monthly and 4,518 rent payment transactions, equating to around £50,000 in transaction costs. A move from paypoint/ post office to direct debit or online payments through our new payment solution, would save 40-45p per transaction.
- Many of our processes are heavily manual and administrative, with paper forms, duplication of data entry, and therefore costly to the organisation

### 1.3 Technology Perspective

- Many services are using inefficient outdated software/ back office systems with suppliers being in control of the relationship. There has been a lack of challenge, negotiation and going to market and we therefore have many inappropriate, ineffective and expensive systems. We currently buy systems and solution in isolation resulting in a siloed landscape of information and business processes. Each system typically requires two or three server environments, database licences and support staff to keep the system running and applying long, complex upgrades. This also leads to departments not working together because the individual systems lack full integration and data cannot be shared.

Current methods of integration cost the authority with many bespoke connectors and support burden to keep systems running. This has left us with a 'spaghetti' mess and an architecture that is very 'flimsy'. Changing one system or connector could have lots of knock on effects and become very expensive. It represents a significant risk to the authority. A previous attempt at using a Customer Relationship Management (CRM) system failed, due to limitations with the system and its lack of 'real time' connectivity to back office systems such as flare. Many customer service roles were later moved back to where the work was, following a systems thinking approach, resulting in the corporate customer service team being limited in their ability to deal with customer demands across the organisation.

A digital platform built around customers and their requirements will enable organisational and cultural change, and will deliver self-service requirements, providing real-time interactions for a host of services. The platform will provide a single view of the customer journey for the Council, as well as a single point of access for that customer, reducing failure demand and frustration.

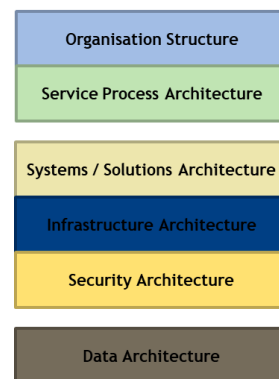
- The ability to work in a more agile manner is being impeded by the lack of investment in the most appropriate technology to support this. For example, Housing Management Officers (HMO) spend a great deal of their time in the office dealing with telephone calls and administration. The potential for tenants to self-serve or use other access channels would facilitate the release of HMO time to working within the patch resolving problems for tenants with more complex needs. Recent investment has been

made for solutions which facilitate and support agile working in tenancy management, including electronic document management and capability to access the housing back office system information whilst out on district. These projects are currently being implemented.

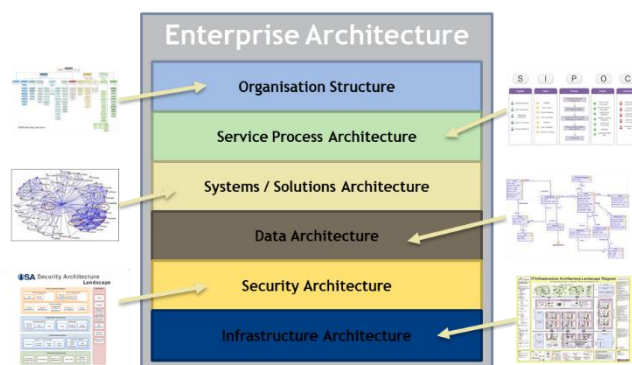
- Visitor levels to the website are still increasing, highest levels of visits are on weekdays. The majority of visits to the website are now via smartphones, followed by PC's and then tablet devices, see 1.4 below. This mirrors national statistics regarding increased smartphone sales and less tablet sales.
- Enterprise Architecture View

- The information we rely on for operating model decision making is both incomplete and heavily siloed. Through the Customer service review in 2018 we developed a view of our system architecture which we called our 'spaghetti map'. We also identified that two thirds of our services hold customer data on spreadsheets – possibly due to missing technology capability in line of business systems, or following ineffective practice 'always done this way'. Our systems are not joined up and are therefore ineffective as a means of the organisation understanding our customers, response capability and whether we are delivering quality services.
- Consideration of our processes, the way we deliver services and our organisational structures, is undertaken in isolation of our systems and data architecture.
- We have little understanding of the whole enterprise architecture structure and alignments, for example adding a new solution or removing an existing solution how this impacts upon process, structure, security, data architecture and also impact across the organisation.
- A holistic enterprise architecture view provides a structural blueprint to allow the organisation to fulfil its aims, understanding constraints and opportunities, costs and benefits, risks and value. Enterprise architecture is a holistic, interconnected, integrated, coherent , proactively designed rather than random and ad-hoc and inconsistent

### Current



### Future



## 1.4 Digital Savvy Customer

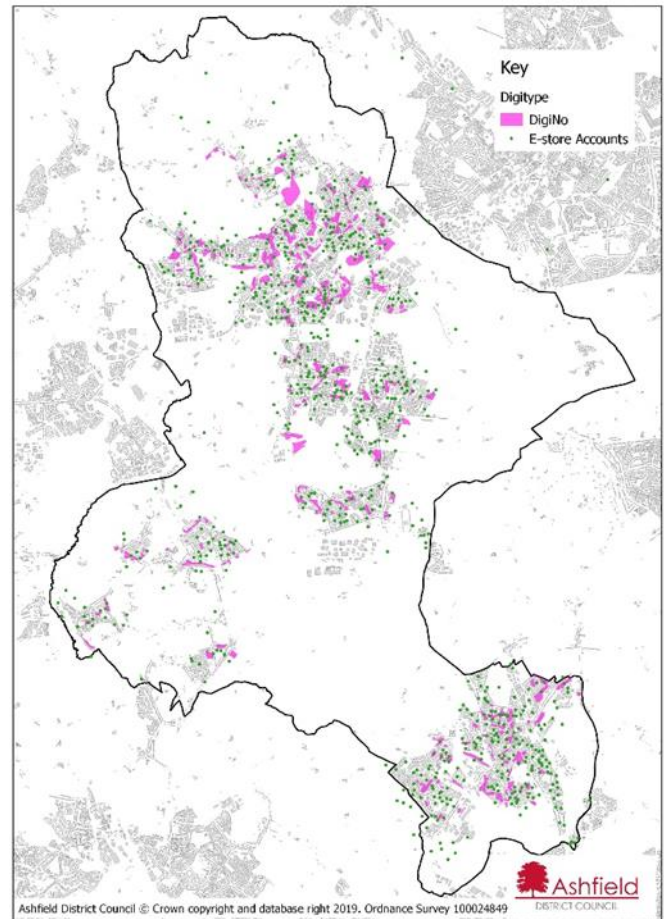
### Ashfield Position

Through the Place Survey in 2016 85% of our residents stated they have access to the internet, and of those 15% of residents without access 50% of those stated they were aged 65 plus.

Residents also told us that the most common device used to access to the internet was through laptop/ desktop or smartphone (81% and 80%) with younger residents most commonly accessing the internet via smartphone (98%). When asked which type of activity is undertaken online the most common were:-

- Emails 86%
- Info about goods or services 88%
- Booking things 69%
- Online banking 74%
- Online shopping 75%
- Social networking 71%

The above data supports the opportunity to both channel shift customer demand but also the channels we use as an organisation to inform or market services to our customers. In Newcastle-under-Lyme, the council's insight research based on Experian (Mosaic) identified that nearly 40 per cent of the population may take up the opportunity to self-serve if appropriate online tools were available, and a further 30 per cent may do so with encouragement. This was based on customers' propensity to use internet banking services and purchase goods online. Our own research using Mosaic identified areas where customers could be potentially 'nudged' towards online use and the areas where this was least likely to happen, our 'DigiNo's'. Mapping the postcodes of new e-store accounts we can also identify our most recently digitally active areas, which will inform more focussed digital transformation campaigns with our residents, offering assisted digital services to support our Digi Maybes and Digi no's.



The number of unique visitors to the Council's website has increased significantly by over 26% over the last 12 months. The number of online payments has nearly doubled over the last two years whilst direct debit payments have also increased by 11% over the same period.

Our electoral registration service has also seen a significant uptake, of over 50%, in the use of automated canvass response forms, using a 3rd party solution which integrates with our back office software. The high level of this take up indicates a willingness of our electorate to engage with the Council through digital channels.

We have also noticed a significant increase in the proportion of visitors using a mobile device to access our website, which indicates further potential opportunity to encourage our residents, customers and businesses to engage with us via digital means.



In Summary, our current position and digital capability is:-

- Limited choice of customer access channels
- Lack of integration between services
- Limited digital and self-serve offering
- Limited offering for agile working via front line services
- Limited multi-channel interaction
- Customer dissatisfaction
- Limited first time resolution
- Not always easy to get right person first time
- Limited clarity for the customer around what is required or what to do, leading to failure demand
- Limited communication and engagement, lack of progress information, causing the customer to recheck things, therefore further failure demand
- Services designed around the organisation not the customer
- Delays in decision making
- Silo based service and customer information

## 2. Our Digital Transformation Vision and Ambition

We want to deliver council services consistently and reliably, simplifying and standardising basic transactional processes, enabled by digital technology, to transform the way we do things, whilst encouraging people who can access services online to do so. This will create capacity for us to support the people who need us the most and also mean we can put our resources into things that really matter. Online services will be cheaper for us to deliver, reducing costs over the medium term through service redesign and restructures, so we can get things right first time more often avoiding expensive follow ups. Without this investment we won't be able to achieve further savings and will be able to do even less in the future.

The core element of the digital transformation programme is to have organisation wide customer focus, putting the customer at the heart of everything we do, challenging our approach to delivering services, as well as looking at how we can use digital technology and new ways of working to improve how we operate, delivering an improved customer experience.

The objectives of the Transformation Programme are to:-

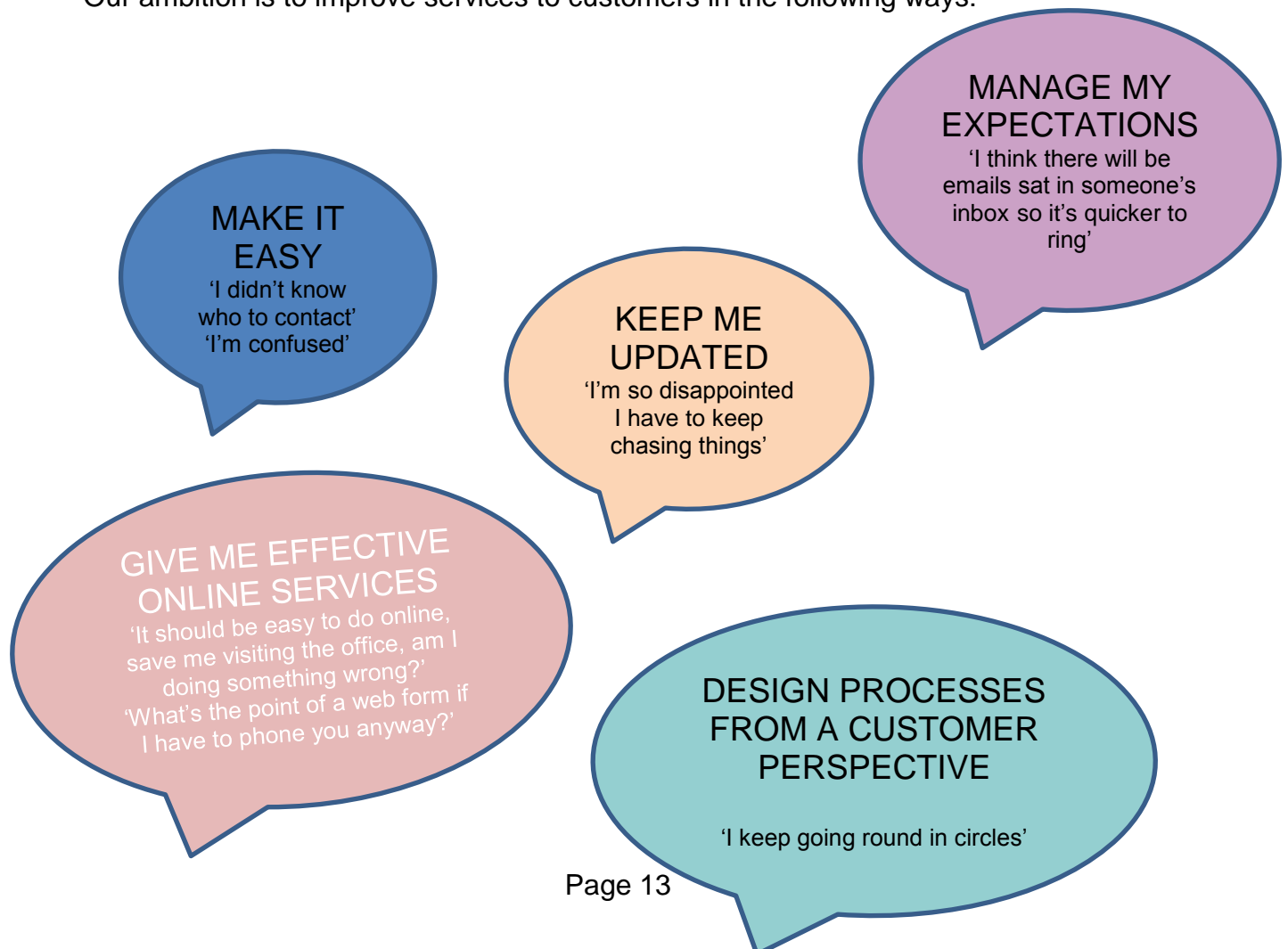
- Deliver a faster, better service to citizens and businesses through enabling technology and business process change.
- Enhance customer experience and create a modern and relevant organisation, by enabling technology that is used elsewhere, every day, by many residents. Enabling customer independence, encouraging customers who can self-serve to self-serve
- Deliver services to customers more efficiently, in a more joined-up way, using data more effectively to make critical business decisions.
- Create a sense of energy and momentum, using innovative thinking to bring new, more radical ways to delivering Council services.



The digital transformation programme intends to design the future operating model for Ashfield District Council, aligning with our place agenda, with a focus not only on Digital Council, but also Digital Place and Digital Customer. It is important to recognise that digital transformation of our customers, residents and tenants firstly requires digital transformation of the organisation.

### Intended Benefits to the Customer

Our ambition is to improve services to customers in the following ways:-



**Make it Easy** – being more responsive, getting more things right first time, being more reliable, make things easier to understand, use language that people understand ‘don’t make me think’

**Keep Me Updated** – explain how we will keep customers updated and offer digital options such as text message updates, enable a customer to get information easily about where any their requests are,

**Give Me Effective Online Services** – have a website which is as good as any bank or supermarket website that allows the customer to request and pay for services online and, if the customer wishes to, to log in and see their interactions with us

**Design Processes from a Customer Perspective** – involve customers and staff in designing and testing new ways of working, consider the customer journey in everything we do. Investigate feasibility of cross government platforms where relevant eg verify

**Manage my Expectations** – tell customers clearly what we can and can’t help with, be clear from the start what services we charge for and those we provide for free, explain how long requests are likely to take (Customer Service Standards)

### 3. Our Journey Over the Last 12 Months

#### 3.1 Current Digital and Service Transformation Programme

Our current programme includes the following system implementations:-

- **Finance system upgrade** to a web based solution which has the ability to simplify some manual administrative finance processes, for example Intelligent Scanning, which automates invoice processing, not only recording an image of the document but also retrieving the data from the scanned image and loading into the system, thereby removing the need to manually key invoices. This solution is now implemented. The intention is to undertake a post implementation review in 2020 to review capacity requirements in the finance team with the expectation of potential efficiencies.
- A new **tenant portal** has been developed in consultation with the tenant gateway and was launched in February this year, enabling tenants to access information and request services 24/7 through self-serve capability.
- **Revenues portal** – last year we were given short notice by our current supplier of the forthcoming de-support of our revenues customer portal, requiring us to upgrade to their newest solution within a five month period, this upgrade was completed and went live in February 2019. In June 2019 we saw the number of business rate sign ups to e-billing through the portal nearly double compared to June 2018 and a 50% increase in council tax payer sign up and e-billing. Following the first 3 months of implementation, e-billing is realising the Council postal efficiencies in the region of £5,000. Benefits realisation continues to be monitored on a monthly basis.

- **Payment solution –**

- new, easier to use 'e-store' with now over 50 services available online, 30+ more than previously available
- 'smart suspense' functionality implemented, significantly reducing the number of payments held in suspense that require manual intervention by the finance team
- Recurring card payments currently being implemented in sundry debtors, this allows customers the option of setting up regular payments from their payment card at a frequency agreed with the authority in a safe and secure manner. This functionality is already supporting residents who find it difficult to remember to make regular payments, and therefore helps prevent or settle debt.
- Online direct debits will be live next month
- 3D secure functionality is planned for implementation during the autumn, added further security to our payments solution
- 2,500 additional online payments have been made between January and May this year, compared to the same period last year, equating to a 13% increase, with a 7.5% reduction in pay-point and post office transactions over the same period, not only benefitting our residents and businesses through easier payment methods but also reducing payment transaction costs for the authority. It is highly possible for us to achieve at least a 50% reduction in post office and paypoint transactions through further marketing campaigns and also through more effective use of our outgoing customer correspondence and telephone system to bring this new, easier to access payment facility to the attention of our residents and businesses, potentially saving a minimum of £25,000 per annum.



- In January this year, Cabinet and Full Council approved the procurement of digital solutions to facilitate the **transformation of our housing repairs** service, enabling a more customer centric, and customer responsive and productive function. The business case for digital investment was predicated on strong potential for payback realised through a more productive and agile re-structured housing repairs workforce, with reduced reliance on sub-contractors. The transformation review of the repairs service has also incorporated consideration of role changes including mobile working, for which a re-evaluation of relevant job roles is currently nearing completion which will allow those staff currently on Ashfield Homes work contracts to transfer over to ADC contracts thus creating parity across the Council workforce. It is also recognised that the Council's current systems and processes in relation to printing off data for home visits and repairs possesses a significant potential breach of data protection legislation, under GDPR, against which a more secure process is being implemented through this transformation project. Procurement of required digital solutions has recently been finalised, with process re-design underway in preparation for implementation and changes to operational practices.
- Implementation of digital solutions across the housing directorate to facilitate **agile capability** are ongoing, having experienced significant delays in regards to

insufficient, knowledgeable and skilled technical capacity and project management expertise. Our suggested new approach, below, and recommendations in this report, have considered the lessons learned from these early transformation projects, particularly in regards to prioritisation and required capacity and skills to deliver transformation at a reasonable pace.

### 3.2 Digital Declaration

Local Digital, through MHCLG promoted the principles of digital declaration in September last year, seeking engagement from local authorities to:-

- redesign our services around the needs of the people using them
- 'fix our plumbing' to break our dependence on inflexible and expensive technology that doesn't join up effectively
- demonstrate digital leadership
- design safe, secure and useful ways of sharing information to better support the most vulnerable members of our communities, and to target our resources more effectively

In October, 2018, we made a specific commitment that we would redesign our application and payment process for the garden waste service, end to end including digital access, recognising that there was no digital way to request this service and payment had to be made via a paper mandate or over the phone. The objectives were to increase customer satisfaction, provide faster service delivery and reducing telephone demand.

Our new payment solution, referred to above, goes some way to providing residents with easier to access payment choices for signing up to garden waste services, however, we have not yet been able to redesign and digitally transform the service end to end, this has been considered as part of our new approach, see section 4.2 below.

### 3.3 Developing our new approach to transformation

- Throughout the autumn 2018 we piloted a data discovery approach to inform future improvement work, gathering data to:
  - Understand the processes undertaken in the Council
  - Understand the components that make up each of these processes
  - Understand which processes have opportunities to significantly improve the customer journey and make internal efficiencies
- We also piloted customer journey mapping and service redesign approaches to align system capability with process change, whilst also considering potential future organisational structure or operating models that would align more effectively to customer centric service delivery and our transformation vision.
- We recognise that our current transformation programme consists of projects that are based on available budgets, historic under-investment, and supplier driven risk through notices to de-support some of our systems, many at short notice. This has led to a silo approach, lacking bigger picture and cross organisational consideration, impacting upon available capacity and skills to deliver change in an effective, timely manner. We have



therefore developed an approach to prioritisation of transformation which considers the following criteria:-

- Cost – focus on the most expensive, manual process where we can maximise and optimise process efficiencies, also focussed on where there is the most volume of transactional demand and where there is opportunity for channel shift and self-serve
  - Customer – understanding what is more important for the customer and what matters, for example increased accessibility, making things easier
  - Innovation – considering solutions in the market, and best practice, researching what other local authorities have been able to successfully implement, for example submission of evidence online for new benefit claim.
  - initiatives that deliver the highest evidenced return on investment and customer impact will be progressively prioritised
- A governance approach for current future transformation projects has been established:-
    - Corporate Leadership Team (CLT) to oversee the whole future programme and transformation ‘funnel’, prioritising potential candidate transformation projects based on most financial and/or customer impact and benefit. CLT will assess the Business Cases on a monthly basis and agree resource allocations and budgets to ensure the right projects are managed and delivered.
    - Digital and Service Transformation Delivery Programme Board to monitor delivery of projects within the programme to timescale and assessment of delivered outcomes/ benefits.
    - Bi-annual progress updates to Cabinet and wider Members.
- Resources and capacity across the organisation is now involved, engaged and delivering transformational change:-
    - Core team of digital transformation experts and project office resources has been established - initially this team is made up of a blend of internal experience and capacity from within the Improvement and Transformation Unit, supported by short term interim external business analysis (BA) and enterprise architecture (EA) skills. The intention is to build up internal expertise and capacity to facilitate the phasing out of interim support required to find, build and design and implement transformation change.
    - The Core Team have been identifying Digital ‘Solutions’ looking at pioneer Councils and relevant trend data, whilst also identifying ‘Synergies’ where projects can benefit multiple areas of the Council (e.g. Report-it, Pay-for-it, MyADC, etc.)
    - Establishment of service business analyst nominations (SBA’s) from within each service directorate, trained and developed by the core team BA experts in how to analyse ‘Problems’ and gather evidence for really strong business cases
    - Establishment of a cross organisational ‘digi-champ’ working group and network of around 30 employees from across all service functions
    - Introduced ‘Innovation Action Forums’ as a means of engaging keen staff to contribute to continuous improvement & innovation ‘Themes’, to jointly analyse problems, identify solutions and help mobilise for change. Our first Innovation Action Forum has considered opportunities for ‘self-serve’ around the themes of ‘report it’, ‘book it’, ‘apply for it’ and ‘pay for it’. Over 60 ideas were generated, those rated most highly in relation to highest volume, and potential customer

impact and efficiency are currently being researched further, by self-nominated members of the forum, reviewing best practice.

### 3.3 Potential Funding Currently Available for Transformation

Over the last 12 months we have already funded our current solution upgrades and implementations in the region of £291,000 (contributed from General Fund and HRA as applicable) with a further £275,000 additional spend committed in this financial year to the Housing Repairs digital solutions (all HRA).

Our current reserves potentially available for transformation funding expenditure are as follows:-

	General Fund	HRA
Corporate Change Reserve (not ring fenced for DST alone)	£1.257m (of which £200k committed for use in 2019/20 – Council Budget Report - 4 <sup>th</sup> March 2019).	£193k
Technology Investment Reserve	£402k	£252k (housing repairs costs O/S)
Capital Receipts	£185k	
Capital – devices budget	£40k per annum	£40k per annum

3.4 Cabinet is asked to approve the use of up to a further £100k from the Corporate Change Reserve, in addition to the £200k already approved by Full Council when the 2019/20 Budget was set.

## 4. New Approach – Key Findings

### 4.1 Enterprise Architecture Findings

- Data is stored in a number of discrete systems with limited integration capabilities = no single view of customer, account etc. Major implications for implementing a customer centric self-service approach. We also have no ability to understand what services any individual customer consumes across the organisation
- Although new digital initiatives have been delivered e.g. Open Portal, eStore, information does not integrate to back end systems and substantial manual intervention is required
- Information and data ownership is not clearly understood or consistently applied, especially related to information and data management policies, business rules, retention and lifecycle, sharing and accessibility to data. In many organisations a corporate information officer facilitates a governance/consistent approach.
- Effective data and information management is fundamental to operation of the business and underpins our ability to drive out savings from transformation and successful integrations across our system architecture.

- Recommendations are to identify Information Asset Owners within each function who will be responsible for making decisions on how the information is managed, consumed and shared across the organisation, whilst also implementing a Data Lifecycle Management Framework.
- Further to this the intention is for interim Enterprise Architecture expertise to work with the Legal team to further develop our information and data management framework, and roll out awareness/ training across the organisation working closely with Information Asset Owners.
- These findings do not relate to our information management approaches when receiving external request such as FOI's, more specifically these relate to our internal approaches regarding the management and use of data effectively.
- A further key recommendation is the design and delivery of master data relationship management capability that will provide a single view of Ashfields key business entities e.g. customer, account, facilitating a single view of all key entities plus relationships and interactions between them.
- Effective master data management will become a key enabler of digital and transformation efficiencies through our detailed projects and initiatives, providing a single entry and sharing of data, single version of the truth and less likelihood of poor quality data (duplication, missing, erroneous etc)

## 4.2 Process Business Analysis Findings

4.2.1 Our core digital team and SBA's have jointly analysed our process catalogue identifying 'hot-spots' where Digital Transformation can add most value initially, looking for opportunities in relation to:-

Channel shift – Efficiency opportunities, high process costs and high volume

Demand management – Opportunities to reduce and prevent demand, through improved self-serve capabilities and information and clarity about our services and requirements, such as evidence to support applications.

Automation – Self-service, process optimisation, reduction in duplication and administration

The first phase of detailed 'deep dive' investigation and analysis has focussed on the following potential candidate transformation initiatives for self-serve and digital channel shift within the waste and environment services and revenues and benefits:-

- 'Report it' missed bins
- 'Request it and pay for it' Garden waste (aligning with our digital declaration)
- 'apply for it' new council tax benefit claims
- 'report it' changes of circumstances for council tax benefit

Our 'deep dive' approach consists of understanding the way we do things now, how long the process takes, how much demand we receive and varying scenarios within the process depending on the complexity of demand. We can then redesign the process, understanding the benefits both in respect of the customer, and the organisation and associated costs.

### 4.2.2 Report It – Missed Bins

Our current waste and environment system, works effectively across operations and the back office, with reasonably good real time data and information being uploaded from our waste vehicles into the back office system, for example, which streets have been completed, and other information by exception in regards to bins not presented, contamination etc. The back office system has open application programming interface (API) functionality which is currently relatively unused. API's allow applications to communicate with each other, enabling the flow and use of relevant data.

Our findings suggest that a 'quick win' digital initiative could be implemented, initially for missed bin reports, creating an online form which integrates into the back office system. The design and build would incorporate two way flow of data, between the website and the back office system, enabling the customer to understand if their bin collection really has been missed (for example, has the service attended their street) and to make it easy for the customer to raise a missed bin request online.

1 Scenario		Jim returns home and finds that his Household Waste Bin has not been emptied.	
2 Access Online Info		3 Complete Online Form	4 Outcome
Customer Journey	Jim goes onto the council website and finds information about why a bin may not be collected and how to report a missed collection. There is also FAQs and guidance on how to report it.	Jim chooses to report the issue. He provides the information identifying the type of bin and property address.	Jim is informed that his waste should have been collected. <i>Had a reason been recorded by the Crew then this would have been surfaced to Jim e.g. not put out, contaminated, too full etc.</i>  He is informed that his waste will be collected within the next 72hrs and to leave the bin out for collection.
Enablers	Review and refresh website content Update FAQ's	'Responsive' Online Form	Integration (API) with Whitespace to surface information and raise Job Request

Project Duration	The project is estimated to take approximately 18 days to complete, including completion of discovery phase checking the quality of data held in the back office system, key to the successful delivery of two way data flow as mentioned above.
Technology Involved	e-forms development, potentially utilising current umbraco capability with zero cost. However, recognising the need for more sophisticated e-form for 'apply for it' transactions, it is suggested that we purchase online form capability, supporting park and resume and acceptance of online evidence for digital applications, potential costs £15,000 per annum including implementation costs
Skills needed	Project Manager & Business Analysis = 4 Days  Solution Architecture & Design = 4 Days  Build = 7 Days  Test & Implementation (incl Training) = 3 Days
Key assumptions	Existing internal resources (SBA, webmaster/developer, junior BA) could be aligned to this initial project, thereby requiring re-prioritisation of existing business as usual work for the project period.  Build and test environments would be available  Potential for user acceptance testing via citizens panel/ mystery shoppers

Project Costs	£15,000 per annum e-forms capability (for use across all self-serve projects) Resource costs see 4.2.6 below
Project Benefits	Based on 80% channel shift estimated at £5,400 (high level of confidence), ongoing annual efficiencies  Enhancing customer accessibility and self-serve, making it easier for residents to report missed bins
Future Digital Considerations	This would be a quick win initiative utilising current tech capabilities and internal skills. Key tasks in order to deliver successfully include data cleansing and establishment of data flows between the web and back office system. This work will retain its value for future more sophisticated transformations which will integrate the missed bin reporting capability into a corporate CRM/ Master Data Management solution.

#### 4.2.3 Apply for IT – Ability for customers to be able to complete an online application form with direct integration with service line of business system e.g. New Claim for Council Tax

Council tax applications have been selected as opposed to housing benefit claims as there are higher levels of demand for these transaction types following the impact of universal credit.

Project Duration	The project is estimated to take approximately 27 days to complete, including completion of discovery phase checking the quality of data held in the back office system, key to the successful delivery of two way data flow as mentioned above.
Technology Involved	e-forms development, online form with ability to upload evidence, Park & Resume so that customer can save draft and pick-up later before submission. As mentioned above.  API integrations from revenues line of business system to online forms will incur additional upfront costs
Resources/ skills needed	Project Manager & Business Analysis = 6 Days  Solution Architecture & Design = 6 Days  Build = 11 Days  Test & Implementation (incl Training) = 4 Days
Key assumptions	Existing internal resources could be aligned to this project, thereby requiring re-prioritisation of existing business as usual work for the project period, however due to the expected duration consideration would need to be given to the wider implications and additional capacity requirements, either building additional internal capacity/ secondments and backfill or use of more expensive external capacity. The build of this digitisation would be more complicated, requiring tech capabilities such as park and resume and upload evidence online.  Build and test environments would be available  Our current line of business system supplier will potentially charge around £22,500 for making available API integrations. (20 Build Days, 40 Project Days @£550 per day)

Project Costs	Tech costs – online forms, as above, plus API integrations £22,500 upfront Resource costs see 4.2.6 below
Project Benefits	Based on 80% channel shift estimated at £7,900 (high level of confidence) ongoing annual efficiencies  Enhancing customer accessibility and self-serve, making it easier for residents to apply for council tax support
Future Digital Considerations	Our estimates are conservative focussed on one ‘apply for it’ transaction type. Further opportunities across the organisation have been raised in respect of other application transactions such as licensing, which we also know presents a risk to us in regards to the line of business system supporting these transactions and others in environmental protection. Further discovery work has commenced and will complete by mid-July, 2019 in order to assess the priority of these potential candidate transformations.

#### 4.2.4 Additional immediate self-serve and channel shift digital transformation opportunities

Our process catalogue study identified over 80 ‘report it’ processes across the organisation. Following the above suggested quick win for missed bin reports, future immediate extension opportunities lay in potentially redesigning several further report it processes. There is potential for this project to continue to be focussed on waste and environment reports such as fly tipping, litter etc. and request it/ pay for it digital self-serve capability such as bulky waste and garden waste.

	<b>1</b> Scenario	Emma is walking and finds rubbish tipped on a grass verge. She has her mobile phone with her and decides to report the fly tipping.	
	<b>2</b> Access Online Info	<b>3</b> Complete Online Form	<b>4</b> Outcome
Customer Journey	Emma goes onto the council website and finds information about fly tipping and guidance on how to report it.	Emma chooses to report the issue. She provides details of the location and description of the rubbish.	Emma is informed that her request has been submitted and that the incident will be dealt with.
Enablers	Review and refresh website content	‘Responsive’ Online Form	Integration (API) with Whitespace to surface information and raise Job Request

The digitisation of most other transaction types across the waste and environment administrative function presents the opportunity for further consideration and development of a corporate customer contact / transaction centre, incorporating these customer transactions initially whilst further digitisation and service redesign opportunities are discovered, built and potentially ready for integration into this new operating model.

We have also identified further immediate transformation opportunities related to all other Council Tax support processes offering customers the ability to register for council tax, request discount/ exemptions, notify change of circumstances, change payment method and find information and advice in support of council tax general queries.

We estimate that digitisation of these additional processes would between four to six months to complete and realise savings in the region of £84,000.

The Innovation Action Forum also identified and prioritised the following:-

- report it for housing repairs
- book it for bulky waste (appointment)
- apply for it for council tax support

Research is currently being undertaken by self-nominated forum members, bulky waste and council tax applications will inform those projects as identified above. Digitising the reporting of housing repairs will be considered further as early wider extension opportunities mentioned below in 4.2.7

#### 4.2.5 Estimated Resource capacity costs

In order to complete the above digitisation of processes within an estimated 6 month timeframe, in accordance with the roadmap below, the proposed capacity, skills and resources across all of these projects is:-

Skill type	Workload	Tasks	Potential Role	Current Capacity	Additional capacity requirements
Project manager/ business analyst	51 days	Redesign, specifications for build, product owner, project manage discovery, alpha and beta stages of delivery, including user acceptance testing	Multi skilled Business analyst/ project manager  SBA's involved in user research, redesign and user acceptance testing  Forms and code part of developer role below	1 x PM  1 x junior BA (Improvement Asst recently BA trained)  Both in Improvement team, currently focussed on existing projects in programme  5 x SBA's	Based on lessons learned from current projects in programme and difficulties with existing system suppliers, recommendation if for 1 x additional BA/PM
Solution architecture and design	51 days				
Build	93 days	Some level of solution architecture (forms and code), build digital solution and test	Developer/ webmaster  SBA's and relevant system administrators involved in system testing and user acceptance testing	1 x webmaster currently insufficient capacity for level of web updates and maintenance required.	Create developer/ webmaster role with potential secondment opportunity. Additional costs would potentially relate to backfill requirements = £33,000 (including oncosts)
Test and implement	38 days				
	233 days				

#### 4.2.6 Wider Extension Opportunities

Extrapolating the potential gross benefit for each transaction type, as above, the following estimations can be made (excludes capacity and tech costs):-

- remaining 75+ report it transactions – benefit range approx. £404,000
- remaining 20+ book it transactions – benefit range approx. £125,000
- remaining apply/ request it transactions – benefit range approx. £395,000
- expanding wider enquiries within revenues and benefits – benefit range £33,000

Total estimated self-serve digitalisation opportunity gross benefit = approx. £957,000

Additional capacity requirements would relate to supporting the further discovery work related to the above, for example, other apply for it licensing transactions and other opportunities related to regulatory services, and also key capacity required for building, coding, testing and implementing change. We have currently commissioned external business analyst support and ongoing enterprise architecture support for a 25 working day period in this regard, costing in the region of £50,000.

Our transformation approach is iterative, taking learning from our discovery work and forthcoming early digital build projects, as suggested above, to inform the ongoing programme in more detail. Additional capacity and skills required to deliver these wider opportunities, post the initial 6 month self-serve digitisations above, is uncertain at this stage until further discovery work has been completed. However, it is anticipated that a further phase of external specialist interim BA and EA support will be required to continue our detailed deep dive discovery work in relation to the above, whilst supporting the design and build of more digitisations, whilst we further develop and recruit internal skills.

### 4.3 Proposed Digital Transformation Roadmap

Our approach to transformation has been to undertake detailed discovery work for process transactions which have been deemed to be most valuable in regards to high demand, high process cost and potential customer benefit. Our transformation roadmap for the next 12 months is shown in Appendix 1.

The first 6 months will provide a stepping stone to understanding at a high level, what the size of our transformation opportunities are and where to undertake detailed discovery ‘deep dive’ analysis next.

Each of these suggested transformation projects moves the organisation, in an iterative way, towards our ultimate end goal of a single customer portal and single view of the customer, process optimisation and cashable efficiencies.

1 Scenario		Jim returns home and finds that his Household Waste Bin has not been emptied.			
2 Access Online Info		3 Account	4 Dashboard	5 Outcome	6 Notification
Customer Journey	Jim goes onto the council website and finds information about why a bin may not be collected and how to report a missed collection. There is also FAQs and guidance on how to report it.	Jim logs into his secure Online Account – details held include property. <i>If Jim did not have an account then he can create one.</i>  He chooses Waste dashboard.  *Note – policy may dictate if online accounts is mandated or not this transaction.	Jim is presented with previous and next collections. His previous collections are showing as collected. <i>Had a reason been recorded by the Crew then this would have been presented to Jim.</i>  Jim selects the type of bin missed and the option for Report Missed.	Jim is informed that his waste will be collected within the next 72hrs and to leave the bin out for collection.  A case is created which Jim can view to check upon the status of the request.	Jim is notified that his bin has been collected.
Enablers	Review and refresh website content Update FAQ's	Portal Identity & Authentication	Portal Integration with Whitespace	Integration with Whitespace Case Management	Notification



1 Scenario		Emma is out walking and finds rubbish tipped on a grass verge. She has her mobile phone with her and decides to report the fly tipping.			
2 Access Online Info		3 Account	4 Online Form	5 Outcome	6 Notification
Customer Journey	Emma goes onto the council website and finds information about fly tipping and guidance on how to report it.	Emma logs into her secure Online Account. <i>If Emma did not have an account then she can create one.</i>  She chooses to report fly tipping.  *Note – as fly tipping maybe a candidate for offering digitally without mandating the need for an online account.	Emma is able to take a photo of the Fly tipping and allows her current location details to be captured. <i>Had the fly tipping already been reported then Emma would be notified and asked if she would like to be updated on the status.</i>  Emma submits the details.	Emma is informed that her report has been received.  A case is created which Emma can view to check upon the status.	Emma is notified when the rubbish is cleared.
Enablers	Responsive Website Review and refresh website content	Portal Identity & Authentication	Portal Upload Evidence GIS Integration with Whitespace	Integration with Whitespace Case Management	Notification

Rather than procure an off the shelf CRM solution, our recommendation is to use the first 6 months projects to inform our requirements for a ‘master data solution’, through which we can then migrate these initial digitised processes into the single portal. The associated investment costs for this will be determined over the next 6 months and have been estimated for the purposes of our financial appraisal and return on investment analysis through enterprise architecture research.

It is suggested therefore to retain a low level of external enterprise architecture expertise over the next 6 months to inform and shape our requirements.

## 5. Return on Investment Appraisal

In summary, we estimate that over the next four years (2019/20 – 2021/22):-

Estimate of required investment range (including 5% contingency)	£1,829,085
Estimate of expected return	<b>£2,207,600</b>
Estimated % return	<b>21%</b>

Ongoing thereafter are expected net efficiencies of £860,000 per annum following completion of the proposed digitalisation of processes.

Extrapolated over a ten year period, our expected return would be in the region of **£7.4m**.

These figures relate only to the identified scope of digital transformation opportunities as detailed in Section 4 of this report and do not consider, for example, any forthcoming required system replacements, although separate business cases in this regard are likely to indicate strong return on investment through the potential use of new technical capabilities to further improve the way we work.

The above estimates will be updated through the ongoing delivery of the transformation programme and our detailed analysis and findings. Cabinet will be kept informed of this position on an ongoing basis

## 6. Recommendations

### 6.1 Transformation Approach

This report recommends taking an iterative, learning approach to our digital transformation programme, with suggested roadmap and prioritised focus covered in detail in Section 4. This will ensure that we do not invest in non-value adding technology, and that we understand our requirements needed to deliver intended outcomes, particularly in respect of data and information management, produce a requirements catalogue for which to approach the market, rather than being supplier led. This not only ensures that we are obtaining the right product but also ensures that we go to the market to get the best product at the best price and meets transparency requirements.



### 6.2 Additional skills and capacity

Our approach has been mobilised through the use of interim external expertise, both in the development and ongoing review of the approach supported by Interim Strategic Transformation Advice, and through short term Enterprise Architecture and Business Analysis skills.

The use of external expertise has been extremely valuable as indicated by the detailed key findings in this report. However, our intention is to continue to grow and upskill capacity in-house in order to continue to deliver the transformation programme at lower cost. The recommendations are to continue to take a blended approach for the next 3-6 months whilst recruiting to or seconding into 2 additional roles:-

- Business Analyst/Project Manager
- Webmaster/ developer

It is also recognised that in order to move towards a more customer centric organisation it would be beneficial to support our employees and build their customer services skills. A potential customer services development programme is currently being developed by our Learning and Development team in conjunction with the Institute of Customer Services, provisional costs will be reported back to Cabinet in the next 6 months.

### 6.3 Additional Funding Envelope

Costs to deliver the suggested transformation approach are estimated at £1.829m over the next three years. Current corporate change and technology investment reserves of £1.852m, as identified in 3.3 above, would be sufficient to fund the digital transformation programme. Members are asked to note that, in line with their intended purpose when created, approval will be sought to commit these reserves to fund the digital transformation programme over the next three years.

## **Implications**

### **Corporate Plan:**

We are committed to putting customers at the heart of all we do, delivering high quality customer services across all functions to all local residents and businesses, across all access channels. This is reflected in our drive to provide responsive, high quality and continually improving standards of customer service, informed by customer engagement.

The Council's current Corporate Plan and developing new Corporate Plan set out a number of core values with the aim of making a real difference to people's lives. Our intended digital transformation programme supports Ashfield District Council's Corporate Plan and our Core Values particularly being 'Community and Customer Focused, Putting People First' making it easier for customers to contact and access Council services

### **Legal:**

There are no significant legal issues associated with the recommendations contained in this report. Legal issues will be identified in relation to each specific aspect of the programme and appropriate advice will be given on an ongoing basis throughout the life of the programme. Any new systems or processes will need to be GDPR compliant. Procurement of systems must be in compliance with the Council's Contract Procedures Rules.

### **Finance:**

<b>Budget Area</b>	<b>Implication</b>
General Fund – Revenue Budget	Cabinet is requested to approve additional use of up to £100k from the Corporate Change Reserve in 2019/20.  The costs of the Transformation Programme can be met from the following funding sources: <ul style="list-style-type: none"><li>• Revenue funding from the Technology Investment Reserve and Corporate Change Reserve</li><li>• HRA IT Reserve and HRA revenue funding contribution</li><li>• General Fund Capital Receipts</li><li>• Prudential borrowing (if any elements of the project are capitalised)</li></ul>
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

### **Risk:**

<b>Risk</b>	<b>Mitigation</b>
Inability to meet customer needs and expectations. Customers are attempting to be more digital however we are not set up to respond.	Move towards customer centric 'digital first' approaches which provide convenient and accessible services in order to match customer expectations
ICT development which takes place in service silo's in isolation of service re-design	Improve the way we do things through ICT as an enabler of that change. Technology being a catalyst for improving the way the Council will work

<p>Outdated technology landscape, most systems are at end of life and we have no real online 'offer'. Significant additional costs to replace out of date systems, in an ad-hoc, silo-based manner.</p>	<p>Joined-up transformation which is focussed on the customer, delivering value for money, and enabling a slimmer more efficient and productive organisation.</p>
<p>There is no single view of the customer, the customer is dealt with by the service in relation to that service function alone. Customer information is not joined up and therefore very often our customers are being passed around.</p>	<p>Digital transformation which enables customers to have a single log on where they can see progress on applications and requests, update their information or make new applications., or have the need to chase us for information.</p>

**Human Resources:**

We recognise that the digital and service transformation programme will result in new ways of working and the development of new skills for our employees. The change required will be organic as we change the way we do things, our focus will be on making sure we have 'the right tools for the right people at the right time', both in respect of electronic devices but also timely and accurate information to enable people to work effectively.

The new digital transformation approach, in the short term, requires a mixture of dedicated internal service resources from across the directorates, supported by a core central digital unit. Internal 'Service Business Analyst' (SBA) resources are currently supported by the specialist core team, this proposal is to extend that support for a further short period enabling the SBA's to have more opportunity to develop problem solving, business analyst skills.

It is the intention for services to be involved in the review of the organisational model and specific service re-design. Digital champions continue to be invited to be involved in the transformation programme from across the organisation, having opportunity to take part in Innovation Action Forums. All reviews undertaken will be in line with council policies and procedures.

Our aim is to facilitate more effective engagement across the workplace providing the opportunity for employees to become ambassadors of the digital transformation journey. It will be important that we support our employees through the change, providing opportunity for upskilling, as we recognise that not all employees will find it an easy process. We will be focussed on supporting and growing our people through a digital competency framework.

Employees potentially impacted by a review of roles and structures within CPIU and ICT have been notified of the potential impact of the digital transformation approach and future requirements to potentially review roles. At the appropriate time, relevant job roles will be reviewed to reflect additional or realigned roles required to support the programme delivery.

The digital and service transformation programme also considers wider impact on all employees in respect of current and future digital skills requirements and support. An ongoing/permanent impact on employees would be reviewed and relevant HR policies would be adhered to.

IR35 considerations will continue to be made where appropriate and relevant.

**Equalities:**

The intention of the Digital and Service Transformation programme is to enable the ability for the organisation to have an enhanced understanding and awareness of customer needs including those within the Protected Characteristics such as disability and age. A new CRM system will give us the ability to flag needs up on customer accounts and tailor service preferences, with enhanced use of data management to assess impact. The new customer portal will also enable enhanced functionality to support our customers with protected characteristics such as auto use of translation services etc.

Our focus will also be to support our most vulnerable customers, particularly those for where digital channel shift may be difficult given individual circumstances, for example with low levels of literacy or digital skills.

Each individual element or project within the overarching programme will consider a full detailed equalities impact assessment prior to service re-design in order to fully consider potential negative impacts and how we can mitigate or remove e.g. if we remove channel options such as face to face- consider how this would impact on vulnerable tenants

**Other Implications:****Reason(s) for Urgency****Reason(s) for Exemption****Background Papers****Report Author and Contact Officer**

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# Ashfield Digital Transformation Roadmap 2019/20

## Roadmap Tagline

