

Ward: All

INVESTING IN NEW TECHNOLOGY: THE SPRINGBOARD TO EXCELLENT CUSTOMER EXPERIENCE AND BUSINESS EFFICIENCY

Report by the Directors for Digital and Resources and Customer Services

1.0 Summary

- 1.1 In July 2014, Joint Strategic Committee received an “IT Position Statement” from the Director for Digital & Resources. This described the problems being experienced with basic telephony and ICT services and the urgent actions being taken to improve those business critical services. It also outlined the initial steps required to develop a digital road map for Adur & Worthing, acknowledging that a fundamental technology shift towards the use of cloud platforms would be a vital first stage in enabling the rapid development of customer-centred digital services and increased staff collaboration and mobility. Committee approved a 3-week discovery piece from Methods Digital to help identify problems and opportunities, and produce a map of business capabilities (functions the business needs like payment, booking, business intelligence), which would help us rethink how we might provide such functions horizontally across the business, moving away from so many silos in line of business systems that impede joined-up, efficient working.
- 1.2 Over the summer, work was undertaken with a disaster recovery consultant to develop documentation and procedures relating to IT systems recovery. This project is now in a second phase involving the production of detailed technical recovery procedures for key scenarios. The Director also pursued contractual meetings with our telephony provider Unify, which have escalated now through two formal warning letters regarding breach of contract, setting a deadline for resolution of end of December 2014. Key officers have recently been involved in soft-market testing for fixed telephony, contact centre systems and mobile device strategy, strategically linked to the digital strategy work with Methods. Plans are in place to finalise our overall telephony strategy in January in light of the outcome with the current telephony provider. This will be done through a hands-on exploration of overall system design and fit, looking at the integration of telephony with the new cloud platform(s), if approved. At present, we are looking at the viability of adopting a predominantly mobile model (more staff with mobiles), with a significantly reduced number of fixed VoIP lines and a highly effective contact centre solution. We expect to bring proposals forward to JSC in February 2015. We will also develop proposals for much improved wi-fi coverage across our buildings for February 2015 as service is currently poor.
- 1.3 In October 2014, Joint Strategic Committee received a further report on the findings of the Discovery work. This identified three strategic areas of focus for further investigation during a blueprint phase: productivity (email/documents), platform

(customer service and business process functions) and infrastructure (how we host our applications). Discovery found:

- there was an opportunity to move email/calendar/documents to the cloud to introduce true document collaboration, service availability on any device, video conferencing and many other benefits
- a move to enterprise cloud platform technology would break down service silos through moving business functions on to the same technology over time
- such a move would allow the councils to rapidly build new digital customer services and deploy multi-channel customer channel handling, live chat, knowledge base and other such features
- moving to platform technology would also allow rationalisation of line of business applications (there are well over 400) by re-designing and building processes on the customer platform
- there was a need to develop an infrastructure strategy through a more detailed investigation into the equipment, set up, processes and governance around the Census ICT service.

1.4 Joint Strategic Committee approved the release of funds for the blueprint phase in October 2014, and this work was undertaken between early October and mid November 2014. The work involved a more detailed investigation into our infrastructure service, examination and recommendations around overall digital governance, soft-market testing across productivity, platform and infrastructure, and the development of principles, practices, resources and the investment profile needed to achieve the vision of a new enterprise architecture to help enable rapid business transformation.

1.5 This work is now completed and the findings are provided to Committee in this report. In summary, the report proposes that:

- Adur and Worthing should implement a cloud-based email/office productivity solution which will change the way staff and members collaborate and share, including greater mobility, the use of 'any device' (only an internet connection needed) and much easier ways to share and find documents.
- An enterprise platform is selected and implemented, providing rich multi-channel customer service functionality and the ability to cost effectively build new digital services for use by customers and staff within a carefully designed and well-governed agile programme, aimed at automating transactions and removing manual work (true channel shift).
- Governance and joint-working arrangements between Census and A&W technical teams should be significantly improved (a model is suggested) and work should be undertaken to further improve disaster recovery arrangements, systems performance monitoring, Citrix performance and wi-fi.
- The majority of line of business applications are retired over a three year period by providing the functionality needed (after service re-design work has been done) through the platform, along with effective integrations being built between the new platform and the larger systems (such as revenues & benefits, housing and finance)
- An ambition is set for Adur and Worthing to become infrastructure free. We will work with Census to develop a hybrid model and agree how service provision will change over time.

- 1.6 It is very important to note that in large part, the work so far undertaken is “preparatory” and very technical. We are getting the building blocks in place; the tools. Elsewhere on the committee agenda are proposals to create a Head of Design & Digital – once recruited, they will create a new service, which will provide business change and data insight functions along with technology services. Design (“design thinking”) is a fast emerging approach to business transformation which takes user needs as the starting point and applies a range of techniques to truly understand how users interact with a service, what the “friction” points are and what the opportunities are to meet needs in often quite different ways. In the modern world, many services will be delivered digitally or supported with digital tools. But sometimes the customer journey is a blend of off-line and online activities, perhaps involving other actors, like peers, neighbours, volunteers or staff from other organisations. The digital programme will sit within a wider capacity to help services re-design themselves around the customer. This service will be designed and emerge in the new year.

2.0 Background

- 2.1 The proposals made in this report are forward-thinking. Some other councils are already taking this path (such as Royal Borough of Windsor & Maidenhead, Peterborough and Hounslow) and it is highly likely that many others will follow where the digital leadership is strong. Nevertheless, it is important to provide a clear explanation of why investment in a new kind of technology architecture, and way of working, is so vital. In these first paragraphs we attempt to explain the rationale for the change.
- 2.2 Local authorities across the UK have the huge challenge of balancing the demands of providing better, more relevant public services, while needing to reduce cost and improving the efficiency of their operations. With local authority funding reducing year on year, and with opportunities for ‘salami slicing’ now run out, councils simply must undergo transformation. It can seem daunting, but there is hope. The necessity for us to radically transform comes at a time when innovation in digital technologies is so great, we are now in what some have called, “the second machine age”. Today, digital provides the way for businesses to become adaptable, to survive and thrive. But although many people see the potential, it is still quite rare to see organisations approaching digital in the right way, and very rare indeed in the public sector.
- 2.2 Burberry is a great example of how digital can transform a business. In 2006, Burberry’s growth was 1-2% against a sector average of 12-13%. In 2006 the new CEO, Angela Ahrendts, set a new strategy with digital at its heart. Burberry used social media to engage their customers in a newly positioned brand, streaming runway shows in store with customers who were able to shop for the collection on iPads immediately. Their retail assistants could access customer’s digital profiles through tablets, knowing for example, what a Brazilian customer last bought on a stopover to Paris and what she said about Burberry on Twitter. Customers could click to call or click to chat with customer service representatives 24/7. But absolutely crucial to Burberry’s approach was this: **Burberry started by investing in a backbone enterprise platform** to consolidate their systems and make its global operations transparent. It was critical for the company to have a single view of the customer in order to improve the experience across all channels, media and platforms. ***“Had we not put that in place,” said Ahrendts, “we would not have***

been able to do so much of the front-end digital innovation we have been doing” (Leading Digital, 2014).

- 2.3 To give another example, Barclays bank is transforming itself through investment in digital. Its customers are using its mobile banking app 24 times a month, going online with it twice a month and visiting a branch less than twice a month. In 2008 it had 1,724 branches and today it has 1,546. A further 25% reduction is expected as they continue their digital programme.
- 2.4 Of course a local authority has different aims to a private sector business, with a need to maintain and improve many face-to-face services to the vulnerable at the same time as removing cost. But there is much to learn from business. Local authorities must look to the private sector and the technologies they use in order to make their digital programmes a success. In 2014 74% of all adults bought goods or services online, up 53% from 2008 (Office for National Statistics). The pace of change is enormous. The increasing availability of both mobile broadband and wi-fi networks means that mobile internet is now used by more people than ever before. 68% of all adults now use mobile phones, portable computers (tablet or laptop) and use is growing very rapidly, even among the older generations.

Customers expect great digital experiences when shopping, banking and booking their holidays and to be successful with digital (to truly achieve “channel shift”), a council must deliver digital services to a private sector standard. Digital services **must be good enough that people choose to use them**, and recommend them. They must be end-to-end, and assist the customer to understand where they are in the journey – the “your parcel is on its way” text message is very helpful. They must offer multi-channel communication and interaction, providing digital and social customer service as good as any other business.

Transforming the customer experience is at the heart of digital transformation, and at the heart of this proposal.

- 2.5 So how have local authorities typically been approaching digital? Over recent years, many have sought to apply technology through initiatives such as:
- improving information available to customers on the website thereby reducing avoidable contact, including “digital inclusion” work to get customers online. Adur & Worthing have done a very good job here - our website was again rated in the Top 20 of council websites by SOCITM in 2014. Further improvements to **content** will be vital in the digital road map (helping reduce customer contacts) – web content is not the focus of the current proposals but will be a central plank in the overall programme. New ways to share knowledge with customers are in scope, specifically “knowledge base” for use by staff and customers alike.
 - trying to support customers as they journey around our service silos by using “customer relationship management” (CRM) systems with “shallow” datasets to handle contacts. This also often involves “swivel chair” inefficiency where agents are moving from one line of business application to another to piece things together.
 - introducing self service options through web forms and “my council” portals. A&W have been far less successful here, with web form completions being 10,330 in

2013/14 compared to 222,999 calls to the contact centre. More worryingly still, 35,316 web forms were attempted in the same period but abandoned.

- 2.6 There are some decent success stories. Mentioned in the LGA's "Transforming Local Public Services: Using Technology and Digital Tools and Approaches" (2014), Lewisham's web and mobile "environmental issues" app led to a 73% drop in graffiti, and a 33% drop in call centre activity, saving £500,000 over 5 years. (The proposals here will allow us to replicate the work done in Lewisham quite quickly should such a project be selected for prioritisation).
- 2.6 But these initiatives don't tackle the deep structural and technology problem in councils – the vertical line of business system silos – which stops the kind of digital service delivered in Lewisham's environmental health service scaling up and out across the business quickly and affordably.

This proposal is about how Adur and Worthing can get itself into a position to do multiple projects of this kind quickly and cost effectively.

- 2.7 Digital initiatives, apart from a very few exceptions where councils are following the route we are proposing in this report, are forced to build their solutions **around and on top of** the legacy IT estate, often using technology from suppliers working in one of the local authority silos (environmental health, housing, planning, waste, social care, etc). The pace of change is slow, and the customer experience remains disjointed. Otherwise very strong change initiatives in councils are hampered by the constraints of existing, inflexible, proprietary technologies. One nearby council we recently visited said a key learning point from their large scale structural change programme was **"get key technology building blocks in place as early as possible"**.
- 2.8 One of the vital areas to support with new technology is customer services. The opportunities to re-think customer service with this technology are great, particularly around becoming genuinely multi-channel, engaging with customers on social media.

Increasingly customers compare the service provided by local authorities with those of the best retailers. As a minimum, for the Director of Customer Services, good service means:

- doing what we say we will do,
 - resolving enquiries at the first point of contact,
 - convenience, ease of access and consistency of service.
 - joining up processes and knowledge to reduce multiple hand offs across the organisation
 - accurate and relevant information
 - ownership of the customer's issue
 - accountability and auditable processes across the end to end customer journey
 - customer advocacy and empathy
 - investment in continuous improvement of our services around customer need and place
 - proactive problem solving based in customer insight and business intelligence.
- 2.9 The benefit for customers is the increased service quality, responsiveness and relevance, at reduced cost through
- staff and citizens communicating and collaborating much more effectively,

- improved business intelligence and analytical capacity to drive service improvements
- sharing open data and information to support community engagement
- self service and mobile capabilities

2.10 According to the Director for Customer Services, “Our current customer service provision requires radical transformation to meet the expectations of our customers. It needs radical transformation to meet the expectations and aspirations of our Members. Reviewing our technology infrastructure will allow the organisation to transform its business design to make our services more relevant and purposeful - and to be much, much smarter.”

2.11 According to the 2013/4 Dimensions data Global Benchmarking Report for customer contact centres observes the top five technology challenges globally are as follows:

1. Integration
2. Lack of flexibility
3. Expensive upgrades
4. Multiple systems
5. Legacy systems

‘Contact centres across the globe have realised they must simplify their technology systems and share common, multi-channel customer interaction platform (CIM) across the organisation and that the value of the IT investment is increased significantly if it is measured in conjunction with customer drivers and needs’.

This is the path we set Adur & Worthing customers services on with this proposal investment in a citizen platform architecture for use across the business.

2.12 Our research clearly tells us there is really no other long-term sustainable approach. Trying to do digital innovation using the typical council IT estate is costly (these systems need specialist developer time from the supplier which is slow, expensive and end-less) and often reinforces the status quo of our vertical silos, keeping customer data fragmented. It is also simply true that the functionality and user experience of local government IT applications is way off what is needed to be able to provide the great user experience customers now demand.

2.13 Digital transformation is constrained in councils because, unlike Burberry, they are failing to first put in place the enterprise wide platform architecture and technologies that would allow them to do digital transformation effectively and efficiently, at the pace and scale needed. Getting the technology building blocks in place is absolutely essential.

“Digital winners are .. creating the right scale of investment in their IT infrastructure. It’s very hard to keep up with the pace of evolution in the digital world unless you have a flexible IT infrastructure and one that can plug and play products and services from other places.” (McKinsey, “Digital Strategy”, May 2014)

2.14 Our consultants, Methods Digital, are the leading proponents of this approach – they advise getting the governance, architectural principles, data standards and

technology platforms **in place up front**. This is not about being “technology led”, but about ensuring the capabilities are in place to allow rapid transformation in customer service and organisational efficiency as programmes of change are developed. It makes innovation possible by providing the tools and agile development capacity needed.

The Technology Blueprinting work

2.15 In the last 6 weeks, following the approval of Committee in October 2014, Methods have supported the councils by undertaking a Technology Blueprint and investment profiling exercise. This involved further analysis and investigation into the three areas identified in Discovery: productivity, platform and infrastructure and the detailed findings of the report can be found in Appendix A.

2.16 The blueprinting work involved:

- interviews with Census staff and analysis of data about our infrastructure
- development of a digital governance system and architectural principles
- creation and analysis of an applications register
- technology assessments with leading suppliers in the three areas
- creation of an investment profile
- development of a resource profile
- creation of an initial 6 months digital road map to establish a new technology platform for building innovative customer-focused apps

2.17 Whilst the full set of findings are provided in the appendix, some key findings are drawn out here:

- A&W should adopt of vision of becoming **infrastructure** free to provide greater resilience and to help focus resources on business value (a strategy will be developed with Census partners that acknowledges that a hybrid environment is needed for a significant period, with local IT services adapting as more functions are migrated to the cloud)
- recently purchased infrastructure assets should continue to be used during the transition to cloud through the Census service
- applications should be rationalised, by re-designing services on newly selected common **platforms** offering multiple capabilities
- implementing a cloud based **productivity** suite will improve staff collaboration, flexible working and deliver savings, with an integrated email encryption service for handling government secure traffic
- implementing a cloud productivity suite would also allow partner agencies to join over time onto a “**public service**” **collaboration** domain (examples of this are emerging elsewhere)
- there are specific improvements needed to infrastructure capacity and management (including **disaster recovery, wifi, Citrix and automatic monitoring** tools that cover application and data services as well as the underlying infrastructure)
- a **data strategy** is needed to define the data architecture and how A&W will manage data assets, and to deliver excellent business intelligence
- communication and joint working between A&W apps team and Census should be improved urgently

- overall governance should be urgently improved; a model has been proposed including an **Enterprise Strategy Board** and **Digital Design Authority** in support of a “Business As Usual Programme” and a “Digital Programme”
- a set of architectural principles have been designed to ensure a well structured and consolidated enterprise environment
- a new, more strategic and risk-based information governance approach is required, including work on data classification

Proposals

3.1 To assist with the communication of this programme and generate the necessary strong engagement among staff, customers and partners, the Directors for Digital & Resources and Customer Services will develop a public “Digital Road Map” for publication early in the new year, following approval of the proposals herein. This will set the vision for the “digital council” in terms of digital customer services (including website), staff mobility/productivity and an “open data” approach. It will explain the benefits of the move to enterprise platforms in relation to the rapid deployment of digital customer services, including web content, knowledge sharing, live chat, multi-channel accessibility and self-service. The Digital Road Map will help leaders begin the deeper engagement with staff in the programme of work that will be coming forward and provide a public statement of intent. It will constitute the first part of a broader Digital Road Map for Adur and Worthing as a whole, which will be co-produced with communities, partners and businesses during spring 2015.

3.2 It is useful to flag the areas of work that we expect will make up this broader road map, to show the breadth of ambition we have for our places. We will address questions to a wide range of stakeholders, and bring projects forward that start to respond to:

- How can the digital infrastructure for businesses, tourists and residents be improved? What opportunities are there to secure ultrafast broadband for our areas?
- What joint work can we do with the business community to improve the digital offer? Are there opportunities to use digital to incentivise spend in local shops, to market events, help navigate places of interest, help tell the history of our places?
- What data can councils start to make available routinely that entrepreneurs could use to help them build new businesses, or citizens be better informed?
- How can we bring new forms of digitally-powered public service to our areas – such as Casserole Club, a new kind of meals on wheels service that matches neighbourhood cooks to elderly diners?
- Can we generate a community problem solving culture, in the model of Birmingham Civic Foundry that attracts different types of people in to help solve pressing social challenges?

3.3 First things first.

We propose that the initial steps should be the procurement and implementation of a cloud productivity suite for all staff (including an integrated government secure email service for those who need it) and the implementation of a platform for building customer-accessible digital apps and providing multi-channel customer service. Methods have recommended the business capabilities needed from the selection process, including the need to select a platform on which apps can be developed

cost effectively and with minimal “programming” skills. If Committee approves these proposals, a formal procurement process would commence in January and would be rapid, through the G-Cloud procurement framework.

Digital Road Map activities will include:

- creation of a Digital Design Authority to include an Enterprise Architect, Census, Applications Team, Service Desk and project manager resource
- creation of an applications directory and road map for migration to the platform
- procurement of the new technology
- implementation of the new telephony and device strategy (report to JSC Feb '15)
- architecture design for the chosen platform technology stack and data strategy
- migration of email & calendar to the cloud followed by the office suite (phased)
- establishment of the new citizen platform and building a Minimum Viable Product (MVP): core citizen platform functionality to support the customer service centre, payments, bookings and self-service forms
- building of key targeted apps on the platform (addressing manual high transaction services or problematic legacy applications for de-commissioning)
- a further review of infrastructure arrangements
- development of a content management strategy for website content and a new knowledge base accessible by customers and staff

3.4 A sample of the many transactional areas that have been identified (subject to change following full assessment):

- Green bins (revenue generation potential and currently admin heavy)
- Housing benefit applications
- Moving in / moving out process (high volume)
- Crematorium bookings (revenue generation, reputation)
- Direct Debit requests (revenue generation, high manual load)
- Report anything (graffiti, noise, ASB, damage)
- Bulk waste / clinical waste collection
- Adur Homes Management (tenancy starts – information, expectations, services)

Each digital service will be configured where appropriate to automatically send customers progress notifications, such as text messages, and we would expect these to significantly affect the volume of progress chasing phone calls made.

3.5 It is proposed that a strict set of rules be established around prioritisation of services to be re-designed and implemented on the platform. An “Epic” Assessment tool will be used to determine the viability of the project, particularly in relation to the potential for the new digital service to deliver tangible savings. The evaluation criteria will include an assessment on:

- Need (more/less urgent)
- Number of transactions (high/low)
- Business Maturity (Chaotic/well-defined)
- Complexity (Complex/simple)
- Users (low volume/high volume)
- Business impact (low/high)
- Automation - potential for savings (low/high)
- Appetite for change (low/high)

Generating baseline data for each service to be transformed and digitised will be an essential requirement in measuring benefits. This will quantify time and resources currently spent delivering the service.

3.6 A shortlist of legacy applications for de-commissioning in Year 1 has also been produced (subject to change following full assessment):

- Kana Lagan Waste Services CRM
- Covalent Performance Management Software
- Technology Forge
- Deeplake Messaging and SMS
- SFW CRM
- Clear Skies, Cemeteries, Burials and Cremations

3.7 Savings from the digital programme will come from turning off legacy applications, reductions in staffing and enabling revenue generation. New digital transactions must be a true removal of contact from the delivery process. Simple transactions that can be fully digitised are more likely to achieve a channel shift and deliver realisable benefits. The role of “knowledge base” content to help customers avoid contacting us, and live chat capability provided in the platform will also introduce efficiencies into the contact centre. Once the platform is implemented in the contact centre, it will be possible to produce accurate data on channel use and how that is changing over time and the resourcing implications of that change. According to Socitm Insight (May 2012), the cost of a face-to-face transaction is £8.62 and a phone/email transaction is £2.83, compared to a digital transaction at just 15p. Our research and analysis suggests it should be possible to shift the channel mix from an estimated current 18% digital (web + e-forms) to 50% within three years (30% information + 20% self-service).

The applications to be de-commissioned in year one of the proposed 5-year investment period, will deliver the first savings in the programme. Each subsequent year, more applications will be switched off, very likely at a faster rate, as the full range of platform capabilities extend and skills and experience grow. Targets for a reduction in FTE staff are shown in the finance section below.

3.8 It is not possible or desirable, we suggest, to spend the time and considerable money needed to create a full business case for investment in this area, particularly given the current difficulty in obtaining local data on customer channels. We propose therefore, that risks are managed by dividing the programme into “sprints” (using agile project methodology), and releasing money gradually from an approved fund. We strongly recommend Joint Strategic Committee delegate authority to the Enterprise Strategy Board for the release of funds for the “sprints” to avoid delays to project progress. We would also propose a quarterly members board co-chaired by the Cabinet Members for Resources to ensure return on investment is satisfactorily tracked and governed.

3.9 Cloud technology has the enormous advantage of being priced per user per month often with one-year contracts. It is possible to flex user numbers up and down on a monthly basis if necessary, providing great flexibility. Based on a possible technology stack scenario we are envisaging, we estimate the platform costs would be £90,000 in year one, which includes 30 “advanced” contact centre users and 100

operational staff users. This obviously includes all the hardware and support to keep the system up to date and running with 99.99% availability. This is the shift to “software-as-a-service”. As the platform is rolled out more widely, software costs will increase and this is accounted for in the financial profile below and in the appendix. Local infrastructure costs will reduce over time, but we have not “claimed” any in this profile as this is not yet knowable.

- 3.10 The IT skills required for the new world of cloud platform computing in the enterprise are new. All councils will face this challenge over the next few years. A&W need to bring in these skills in the first year to set up the architecture and then train internal staff. A clear transition path in the first year is set out in the appendix report, showing how the external support reduces as we move through the year one programme.

The Enterprise Strategy Board will ensure this transition takes place as part of its work, working with service areas on their service planning well in advance, identifying opportunities for a mix of savings and re-investment in digital. Also, the programme will engage colleges, universities and others in opportunities for placements, internships, apprenticeships and new junior roles.

From our own research it is clear that the following external resources will be needed initially:

Enterprise Architect
Productivity Manager
Product Manager
Solution Architect
Lead Developer
Developer

- 3.11 Each 20 day sprint would cost in the region of £72,800, reducing to £14,300 with good transition to internal resources being achieved during the year. The Enterprise Strategy Board will monitor the success of the digital delivery team and will **release funds incrementally**.
- 3.12 Security is of great importance and must be handled properly but also proportionately. We will ensure due diligence and the technology stack will be assessed by a qualified CLAS Consultant and penetration tested.

Concluding Remarks

- 3.13 There is a huge opportunity here to improve how well our citizens are served in this digital age. Without proper investment now in the transition, we will remain inflexible, difficult to reach and we will be unable to take advantage of the collaboration potential of technology with partners and communities. We would be kicking the can down the road. On-premise silo-based IT will go over the next 10 years. Indeed, it is already happening. Adur and Worthing is well-placed to make the transition at the right time (the technology available now is extremely exciting), to get ahead and do it right. We must get the new technology in place and then we will be able to build and deploy new applications at pace, enabling rapid transformation across the business.

Digital customer service is fast becoming a standard expectation of customers now. However when citizens want something done by the council, they still pick up the phone or walk into our customer service centres for lack of a good enough digital service. There are a great many tasks that should be done on the digital channel, helping us safeguard face to face services for those that need them, and for more complex issues.

3.14 What kind of services can we expect to come from this programme?

By implementing a cloud productivity suite (emails / documents), we would gain the following kinds of benefits: the ability to use any internet-connected device for email and calendar (a bring your own device policy becomes eminently possible); the ability to share documents without attaching them to emails; the ability to collaborate on documents literally at the same time, helping with version control issues and speeding up work; the ability to video conference easily, making home-working much more feasible. We would also set up a higher domain for all public services in the area, giving us the chance to attract other public sector partners into the domain, enabling much better collaboration and giving them an easy way to undertake their own transition and save money.

With a customer platform, tight integration with social media channels is provided. It is possible to “listen” to conversations on social media, and bring those in as a case to manage, replying via social media and keeping everyone informed. Customers might use the reporting app we would build, taking a photo and sending it straight into our customer platform for processing. But they might just choose to tweet about it. We can potentially “spot that” and bring it in to the system as a case to be managed. The technology will allow us to work with customers in the channels they choose.

Customers often progress chase. They want to know where their request is in our system and what’s happening. With a customer platform it is possible to build processes and configure automatic updates to the customer as they choose. As each stage is completed, SMS messages can be sent automatically to the customer, reassuring them and preventing them phoning in. Technology built and deployed in this way will make us excellent at the basics of customer service, and efficient at how we handle our work processes.

This will be a 3-5 year journey. There is a lot of work to do. Some projects may struggle or fail as they depend on many factors, including the readiness of services to be transformed. There is a lot of culture change work to be done here.

But we strongly recommend this approach to the councils. This is the way to enable the shift to digital customer services and far greater staff productivity, while managing the financial risk through a gradual release of funds based on programme performance. We ask Committee to make the financial commitment to create the fund that will give the programme clear authority and momentum.

4.0 Legal

- 4.1 Section 1 Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available of assets or

services for the purposes of, or in connection with, the discharge of the function by the local authority

- 4.2 Section 1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 4.3 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 4.4 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 4.5 The Council must comply with the Data Protection Act 1998 and the principles within, including:

Principle 7 - Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data

Principle 8 - Personal data shall not be transferred to a country or territory outside the European Economic Area unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data

- 4.6 The Council must comply with its Contract Standing Orders and the Public Contract Regulations 2006.

5.0 Financial implications

- 5.1 The Council currently funds substantial spend on IT systems, support and software through the revenue budget:

Current cost of digital infrastructure, support and systems

	2014/15 Budget £
Staff	600,510
Software and hardware maintenance	347,665
One-off projects	80,140
Other supplies and services	93,395
Recharges	9,990
Client budgets	25,090
Total CenSus budget	<u>1,156,790</u>
System Support Team	160,540
Total software funded from departmental budgets	798,870

Total Digital costs funded from revenue budgets	2,116,200
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In addition, the Council also funds significant annual capital investment in replacement infrastructure, systems and equipment. The Councils approved 2014/15 capital budgets of £334,000 in addition to the revenue budgets above.

- 5.2 The report outlines a strategy to rationalise the amount spent of software by procuring generic platforms, which can be tailored to meet the Councils' needs. Members should be aware that in the first few years, the Councils will need to invest in both the new software and the legacy software as the Council transitions from one set of software to the next:

	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
Current cost of software - procured directly or via CenSus	1,064,700	1,064,700	979,510	851,750	638,810
Assumed level of saving			8%	20%	40%
Cost of new software	3,000	90,000	126,000	198,000	198,000
New cost	1,067,700	1,154,700	1,105,510	1,049,750	836,810
Additional cost / saving (-)	3,000	90,000	40,810	-14,950	-227,890
Cumulative cost of saving		93,000	130,810	115,860	-112,030

- 5.3 In addition, to maximise the benefit of these new platforms will require the Councils to invest in specialist professional services initially. The intention is to commission specialist advisers to support the implementation of the new platforms, introduce effective agile development methodology and transfer skills to internal staff. The scale of the investment in the first year of the project is likely to be substantial and in the region of £520,000. This is to be used to fund a series of 'sprints' as follows:

	Cost per 'sprint' £	Overall cost £
Sprint 1 - 3	72,800	218,400
Sprint 4 - 6	53,000	159,000
Sprint 7 - 9	33,000	99,000
Sprint 9 - 12	14,300	42,900
		<u>519,300</u>

The intention is to pause after each sprint to ensure that the expected benefits will be levered in over the next 2 – 3 years. As part of the programme, the in-house staff will be taught how to use the new tools and the council will gradually become less dependent on external support.

- 5.4 Part of the strategy also considers what 'productivity tools' (email/documents) the Councils should use to enhance staff productivity and mobility. This initial analysis shows that there is likely to be a cost to the Councils over the first couple of years as the Councils migrate from one to another but ultimately the change should offer the Council a small saving:

Current budget	2014/15	2015/16	2016/17	2017/18	2018/19
	£	£	£	£	£
Microsoft - Current licencing costs	68,500	68,500	68,500	68,500	68,500
Alternative provider (pessimistic case)	68,500	80,100	70,600	63,500	63,500
Growth / Saving (-)	0	11,600	2,100	-5,000	-5,000

- 5.5 Consequently, overall the Councils will need to invest over the next few years as follows:

	2014/15	2015/16	2016/17	2017/18	2018/19
	£	£	£	£	£
Software	3,000	90,000	40,824	-14,950	-227,890
Productivity	0	11,600	2,100	-5,000	-5,000
External Support	72,800	446,500	0	0	0
	<u>75,800</u>	<u>548,100</u>	<u>42,910</u>	<u>-19,950</u>	<u>-232,890</u>
Cumulative cost	75,800	623,900	666,810	646,860	413,970

Members at this stage are asked to release sufficient funds to support the planned expenditure in 2014/15 and 2015/16 which totals £623,900. This is to be split indicatively on a 40% (Adur) and 60% Worthing basis. However, if any work relates specifically to the HRA, the HRA will be charged directly for this and the residual amount will be allocated on a 40/60 basis.

- 5.6 This investment needs to be considered against the potential gains that the Councils may make. The Councils Customer Services Team currently costs:

	Current 2014/15 budget £
Staff	782,530
Supplies and Services	19,970
Recharges	270,580
	<u><u>1,073,080</u></u>

In addition, staff within the services will also spend considerable time dealing with customer contacts.

- 5.7 The digital strategy looks to reduce the amount of overall contact with the Council by providing easy to access and reliable digital information and services. The strategy will also seek to move customers towards less expensive means of accessing

Council Services. Ultimately this will mean that the Council can reduce down the number of staff dealing with customers. It would not be unreasonable to assume that the Council should be able to lever in staff savings from this strategy of at least:

	2016/17	2017/18	2018/19
	£'000	£'000	£'000
Annual saving	200*	400	600

*This equates to approximately 7 fte per year.

- 5.8 Nevertheless, there will need to be a rigorous approach to benefit realisation to ensure that these savings are indeed delivered. Members will receive regular updates via the monitoring reports on progress in implementing the digital strategy.

6.0 Recommendation

That Joint Strategic Committee is recommended to:-

- (i) approve the proposed investment in new technology;
- (ii) approve the governance arrangements as set out in paragraph 2.12 and 3.8 and in more detail in the appendix;
- (iii) recommend to each Council to approve the release of funding from the Capacity Issues Reserves as follows:
 - Adur District Council £249,560
 - Worthing Borough Council £374,340

Local Government Act 1972 Background Papers:

Appendix A: Adur & Worthing Blueprint Report [Public]

Joint Strategic Committee on New Ways of Working / Accommodation Project, 5th March 2014

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Schedule of Other Matters

1.0 Council Priority

- 1.1 The proposals are in support of the Catching the Wave focus areas, in particular adaptive councils.

2.0 Specific Action Plans

- 2.1 These proposals will assist the delivery of Catching the Wave, particularly by creating the “digital commons”, the platform upon which new personalised services can be delivered and new community support networks can be built.

3.0 Sustainability Issues

- 3.1 Cloud services make a positive contribution to sustainability: The cloud encourages important clean-tech applications like smart grids and it also encourages consumers to use virtual services such as video streaming to replace resource-heavy physical products. The cloud also draws resources to where they are used most efficiently and its jobs tend to be cleaner and safer than those of more traditional industries. The cloud’s efficiency and scalability help reduce energy usage. By reducing the need for hardware, companies can reduce costs and eliminate the need for maintenance and upgrades. The cloud offers cheaper running costs and more flexibility for businesses hoping to expand. The cloud also increases productivity through its ability to accommodate online collaboration that reduces the need for face to face meetings.

4.0 Equality Issues

- 4.1 Digital inclusion issues will be a key feature in the digital road map, where needs such as wi-fi and broadband provision will be addressed, and device trends and application use-ability and simplicity are key to success.

5.0 Community Safety Issues (Section 17)

- 5.1 New digital services can help with engagement and involvement of young people and in connecting them to support. Improved multi-agency working through digital tools like Patchwork can also help improve communication between enforcement and support agencies.

6.0 Human Rights Issues

- 6.1 Privacy and security issues are the most important issues for citizens in relation to government use of digital and it will be essential to strike the balance of risk and reward here, and communicate exceptionally well with residents and members.

7.0 Reputation

- 7.1 A failure to act to radically improve the digital offer risks a continued experience of loss of telephony and ICT services which is very damaging.

8.0 Consultations

8.1 None so far

9.0 Risk Assessment

9.1 Risks are managed through a staged approach to developing the digital road map. Strong project governance will be essential as the programme develops.

10.0 Health & Safety Issues

10.1 None identified

11.0 Procurement Strategy

11.1 Methods are being engaged through the G-Cloud framework with the support of the procurement team

12.0 Partnership Working

12.1 None at present