

## Finance, Performance and Resources Select Committee 10 November 2015

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INVESTOR IN PEOPLE





## Report on BCC Spend with the Voluntary and Community Sector

### 1. Summary

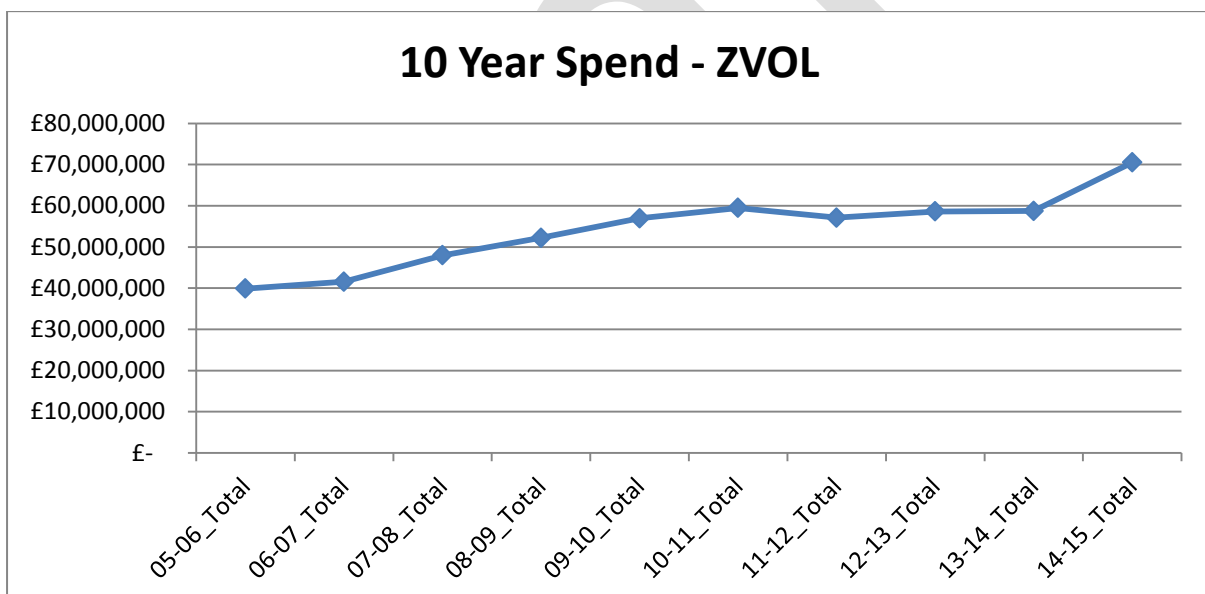
This report provides a summary of Buckinghamshire County Council's spend with voluntary and community sector and not for profit organisations in 2014-15, totalling £70.5m. The report provides a breakdown of spend categories and profiles how spend is distributed across providers.

The second part of the report provides contextual information on the charity sector in Buckinghamshire, including income, spend and workforce data.

### 2. BCC Spend with the VCS and Not for Profit Sector

#### *Total Spend*

In 2014-15 Buckinghamshire County Council spent £70.5m with VCS and not for profit organisations. Spend has increased over the previous ten years, shown in the graph below.



Graph 1: SAP ZVOL account group 10 year spend

The significant increase in spend in 2014-15 is accounted for by the £12.5m grant to the Buckinghamshire Learning Trust (BLT). If this is removed from the analysis, total spend for the previous three years is more static:

2012-13 Total	2013-14 Total	2014-15 Total
£ 58,612,674	£57,635,790	£58,010,449

*Table 1: BCC Summary Spend 12-15*

The spend trend – even with the exclusion of BLT funding - is in contrast to a wider decrease in income in the sector, particularly since its peak in 2009-10.

*Spend breakdown by amount:*

209 vendors in the SAP ZVOL account group (reserved for VCS and not for profit organisations) received funding from BCC in 2014-15.

Income Band (£)	No of organisations (2014-15)	2012-13	2013-14	2014-15	% Change 13-14 – 14-15
Above 1m	12	£41,556,130	£45,172,340	£57,956,511	28%
501k-1m	8	£8,157,155	£5,577,295	£5,666,130	2%
251k-500k	10	£1,824,460	£2,916,902	£3,193,371	9%
126k-250k	8	£1,525,484	£1,345,232	£1,358,525	1%
51k-125k	13	£1,068,870	£1,241,450	£1,040,790	-16%
11k-50k	39	£2,161,293	£1,887,112	£1,073,384	-43%
0-10k	119	£2,319,282	£575,937	£238,315	-59%

*Table 2: Income by band*

Spend has decreased most significantly in the £0-50k range, where the majority of smaller VCS providers are concentrated. This can be partly explained by either disinvestment or loss of contracts of a number of significant providers. The table below shows providers who received over £125k in 2012-13 whose income had dropped significantly by 2014-15:

Provider	Pro Class L1	2012-13	2013-14	2014-15
Bucks CAB Consortium	Social Care	£126,556	£65,000	£50,000
The Oasis Partnership	Social Care	£890,100	£658,151	£33,813
British Red Cross Society	Social Care	£643,746	£36,700	£4,940
United Sustainable Energy Agency	Facilities Mgmt	£288,879	£38,500	0

NCMA Development & Support Ltd	Social Care	£458,340	0	0
Bucks Vision	Social Care	£168,616	0	0
<b>Total</b>		<b>£2,576,237</b>	<b>£798,351</b>	<b>£88,753</b>

Table 3: Income Change £0-50k

Twelve organisations received over £1m funding from BCC in 2014-15:

Provider	Pro Class L1	2012-13	2013-14	2014-15
Buckinghamshire Learning Trust	Education		£1,080,478	£12,516,577
The Fremantle Trust	Social Care	£10,564,020	£11,039,156	£11,856,660
Radian Support	Social Care	£7,576,054	£6,582,868	£6,590,392
Hightown Praetorian Housing Association	Social Care	£5,835,651	£5,391,120	£5,766,979
Heritage Care Ltd	Social Care	£5,116,806	£5,129,564	£5,246,022
Action for Children	Social Care	£4,346,700	£4,777,835	£4,691,608
Barnardos Services Ltd	Social Care	£2,595,888	£3,023,120	£3,196,483
Connexions Buckinghamshire	Social Care		£2,723,271	£2,372,306
National Society for Epilepsy	Social Care	£1,342,975	£1,501,373	£1,639,523
Mencap	Social Care	£1,678,953	£1,483,356	£1,594,464
Choice Support	Social Care	£1,450,681	£1,372,562	£1,415,363
Buckinghamshire Business First	Public sector payment	£1,048,404	£1,067,638	£1,070,135
<b>Total</b>		<b>£41,556,130</b>	<b>£45,172,340</b>	<b>£57,956,511</b>

Table 4: Top 12 ZVOL by Income

#### Spend by Category:

The tables below show how 2014-15 spend was allocated by spend type. The spend types are taken from the SAP accounting system.

The five highest areas of spend are:

Pro Class Level 2	Amount
Social Care – Other	£5,194,832

Social Care - Children - Childcare Services	£11,315,746
Social Care - Adult - Domiciliary Care	£12,424,772
Education - Children Services	£13,664,492
Social Care - Adult - Residential Care	£18,799,616

Table 5: Top 5 ZVOL by Pro Class L2

The full list of spend categories and amounts for 2012-15 is given below:

Pro-Class L3	2012-13	2013-14	2014-15	14-15 vs 13-14
Arts & Leisure - Organised Activities	7,177	8,518	3,825	-55%
Arts & Leisure - Other	5,288	5,288	5,288	0%
Arts & Leisure - Performing Arts	6,965	4,678	1,125	-76%
Arts & Leisure - Sport & Fitness	2,860		1,350	0%
Consultancy - Management - Org & Planning	38,010	98,555	138,183	40%
Consultancy - Technical & Feasibility	5,500		846	0%
Education - Children Services	960,976	2,158,400	13,664,492	533%
Education - Library Books	73			0%
Education - Other				0%
Environmental - Land Protection	4,500		4,600	0%
Facilities Mgmt - Energy Efficiency	288,879	40,250	957	-98%
Facilities Mgmt - Room Hire	464,872	591,673	657,272	11%
Healthcare Advice & Counselling Services	18,900	32,850	29,610	-10%
Healthcare – Equipment				0%
Horticultural – Other	10,137	35,764	19,300	-46%
Housing Management - Housing Assoc Services	13,691	29,022	16,296	-44%
Housing Management - Other	34,351	33,772	35,461	5%
HR - Training & Conferences	84,790	102,641	90,905	-11%
Not yet allocated	440,711	459,033	517,473	13%
Public sector payment	2,610,450	2,122,747	2,035,486	-4%
Public Transport - Passenger Transport	128,401	116,166	131,233	13%
Social Care - Adult	125,395	136,404	226,032	66%
Social Care - Adult - Advice & Counselling Services	2,751,019	3,647,718	2,990,851	-18%
Social Care - Adult - Alcohol & Drug Rehab	628,269	839,317	597,920	-29%

Social Care - Adult - Day Care	861,478	165,252	294,002	78%
Social Care - Adult - Domiciliary Care	13,645,339	12,076,108	12,424,772	3%
Social Care - Adult - Nursing Homes	89,728	99,757	72,289	-28%
Social Care - Adult - Residential Care	17,124,706	17,737,149	18,799,616	6%
Social Care - Advocacy	1,058,188	860,461	787,585	-8%
Social Care - Children - Adoption	149,781	235,095	121,436	-48%
Social Care - Children - Childcare Services	10,616,202	11,119,202	11,315,746	2%
Social Care - Children - Nurseries & Creches	177,520	194,924	145,100	-26%
Social Care - Children - Residential Care		44,454		-100%
Social Care - Children - Specialist DV	43,039	39,953	36,142	-10%
Social Care - Disabled Children - Care Services	224,719	176,741	167,000	-6%
Social Care - Other	5,996,096	5,506,436	5,194,832	-6%
<b>Total</b>	<b>58,618,010</b>	<b>58,718,327</b>	<b>70,527,026</b>	<b>20%</b>

Table 6: ZVOL Spend by Pro Class L2

### 3. The Voluntary and Community Sector in Buckinghamshire

Buckinghamshire has approximately 3,000 community and voluntary organisations, including charities. Identifying a more precise figure is difficult, as small community groups are not able to register as charities and are not required to provide information to any statutory body.

Information is available on registered charities however, principally through data provided to the Charity Commission. The analysis that follows<sup>1</sup>:

- does not include regional or national charities that are based outside of the area but operate services within it, as accurate information on the exact locations of charitable spending is not available;
- uses the “general charities” definition, as used by the UK Civil Society Almanac. This excludes certain categories of charity, specifically independent schools, faith charities and those controlled by government;
- excludes large national and international charities, whose activities mainly take place outside of the county.

The analysis is based on the 1,484 charities that meet the above definitions and requirements.

#### *Geographical Distribution*

<sup>1</sup> This analysis is based on information produced by Community Impact Bucks, in collaboration with the NCVO.

38% of the charities in Buckinghamshire are based in Aylesbury Vale. The dataset is based on the registered office of the charity, and so does not take into account charities working across local authority boundaries.

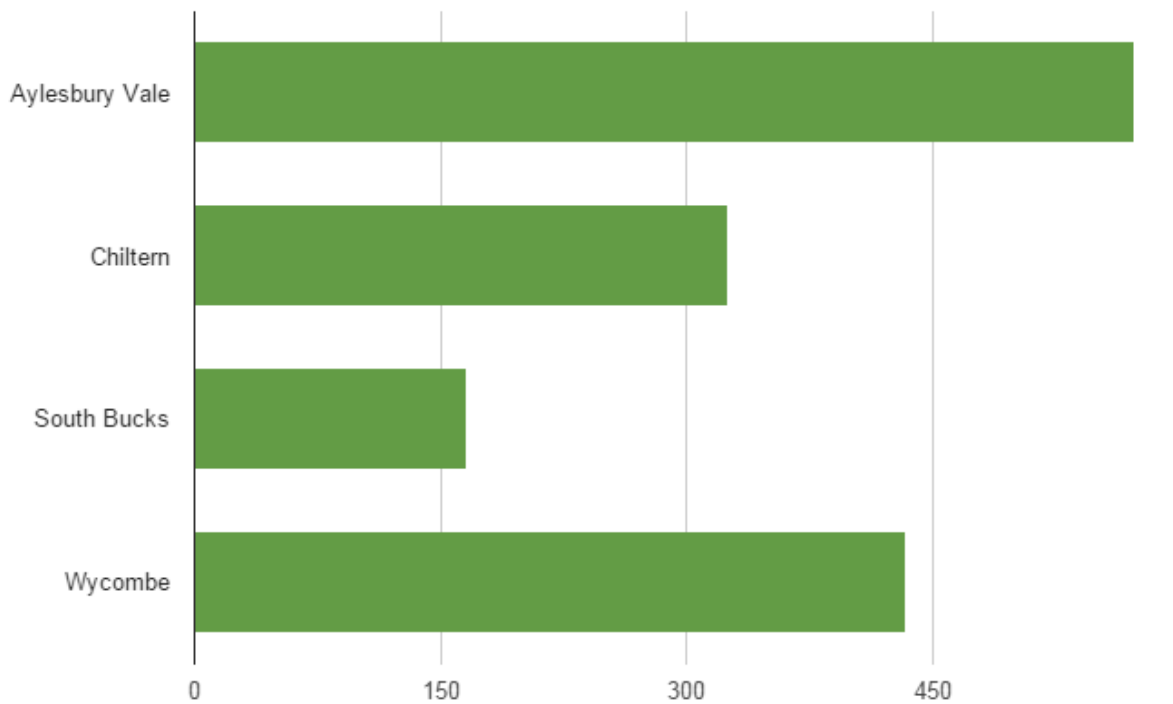


Table 7: Geographical Distribution of Charities in Buckinghamshire

**Activities:**

The largest group of charities in Buckinghamshire (823) work in the area of Education/Training. As charities can tick more than one area, the totals sum to greater than the number of charities.



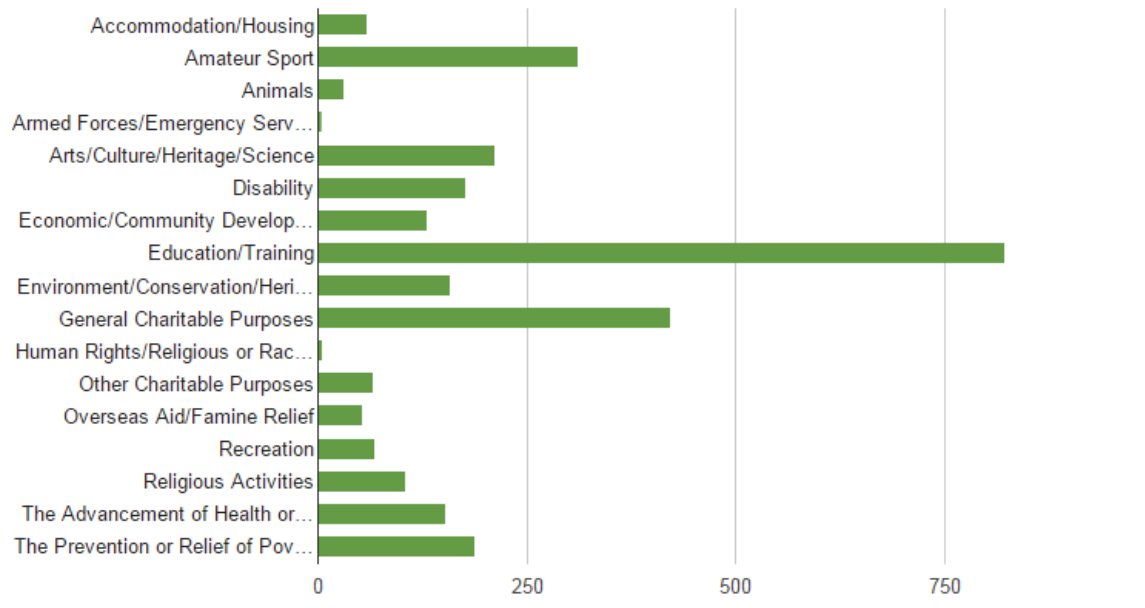


Table 8: Charitable Activities

**Beneficiaries:**

Children and Young People are the most supported group by charities (964).

As charities can tick more than one beneficiary group, the totals sum to greater than the number of charities.

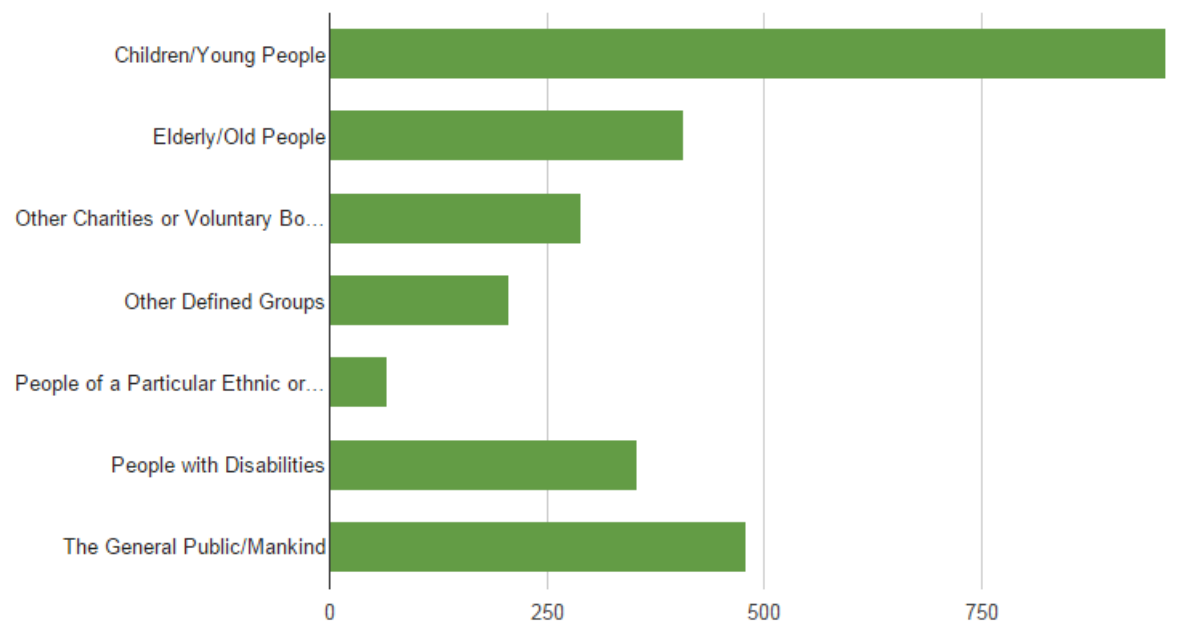
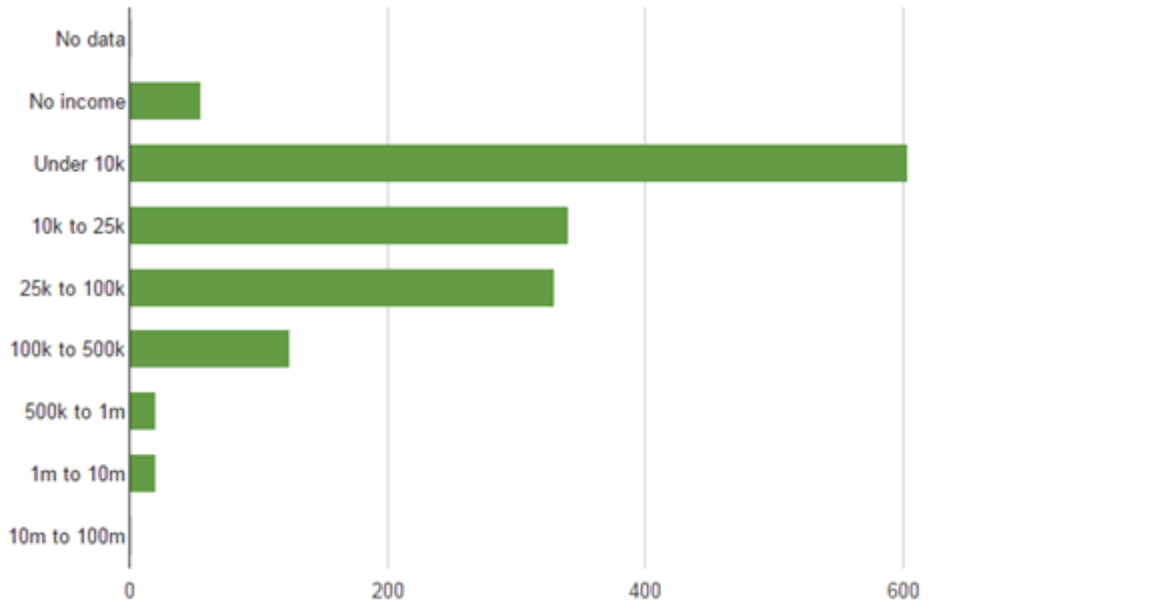


Table 9: Charity Beneficiaries

*Organisation income:*

The income band with the largest number of organisations is the Under £10k band, with 40% of charities in this category.

Between them, the 1,498 charities in Buckinghamshire with income have an income of £149.9m.



*Table 10: Organisation Income*

The following table shows levels of income over time and by type. In contrast to BCC spend, this shows that income has declined significantly in recent years, following a peak in 2009-10 when income totalled £172m. This decline in income is in line with national trends and reflects the impact of both the economic downturn and reductions in national government spend.

It also shows that the majority of charitable income is generated through charitable activity - income earned through trading based around the charities main activity.

Data on income pre-2000 is patchy, and may not reflect the full financial activity of the sector at the time.

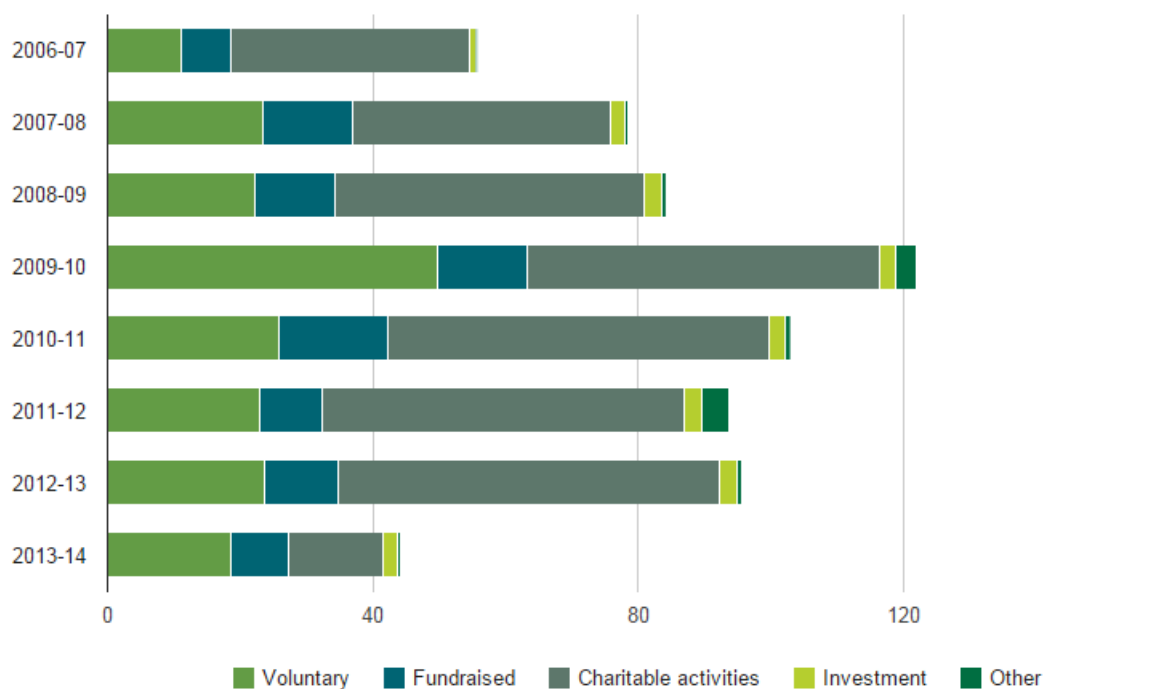


Table 11: Organisation income by year and type

#### Definitions of Income:

- Voluntary income: income freely given, usually as a grant or donation, for which little or no benefit is received by the donor;
- Income from charitable activities: income earned through trading based around the charities main activity. May include contracts for services.
- Fundraised income: income earned through "secondary purpose" trading - activity that is not part of the charity's objectives. This could include tickets for fundraising events or income generated through a charity shop.
- Investment income: the proceeds generated from investments and cash balances.
- Other income: Income not covered by the categories above.

The Charities in Buckinghamshire with the largest incomes are shown below:

Charity no	Name	Income	Spending	Assets	Employees
1014986	The Fremantle Trust	39,450,000	39,085,000	-18,431,000	1,072
293358	Hearing Dogs for Deaf People	8,332,956	6,255,590	14,217,614	144
1084910	Thames Valley and Chiltern Air Ambulance Trust	5,449,684	4,061,983	5,485,372	17
1011133	The Pace Centre Ltd	4,573,911	3,281,194	2,899,258	86
286447	The Wildlife Hospital Trust	1,916,742	1,312,202	6,252,478	37
1090361	Carers Trust Thames	1,801,254	1,850,958	399,328	73
1073861	Buckinghamshire Community Fdn	1,750,555	804,370	5,103,110	3

1040419	Child Bereavement UK	1,705,776	1,589,636	1,504,803	25
1054524	The Oasis Partnership UK	1,695,312	1,692,616	300,205	54
227689	The Perseverance Trust	1,623,924	1,532,127	1,180,731	38
1072270	The Lady Fatemah Charitable Trust	1,615,086	1,161,161	875,479	
1119499	Florence Nightingale Hospice Charity	1,599,116	1,437,114	3,224,908	20
1128881	South Bucks Hospice	1,399,403	1,226,425	2,506,332	30
1066272	The Stowe House Preservation Trust	1,307,991	488,370	20,844,842	3
1115040	Halton Tennis Centre	1,226,979	1,134,248	1,160,417	5
265498	The British Wheelchair Sports Fdn	1,216,120	1,265,441	7,151,025	12
286614	Calibre Audio Library	1,183,774	1,088,377	1,160,574	33
1033626	Action 4 Youth	1,038,295	1,080,772	716,571	27
1106745	Carers Trust Bucks and Milton Keynes	984,290	982,916	227,421	29
310619	William Harding's Charity	887,083	739,510	26,128,026	
1031545	Thames Valley Partnership	862,822	835,316	433,717	10

Table 12: Buckinghamshire charities with the largest incomes

#### *Types of Spending:*

The data shown below is only available for charities with an income greater than £500,000. In 2013-14, the latest year available, 28 charities returned data about their expenditure.

The table shows that the vast majority of spend is on charitable activities. The table also shows how the amount of grants awarded decreased significantly between 2012-13 and 2013-14.

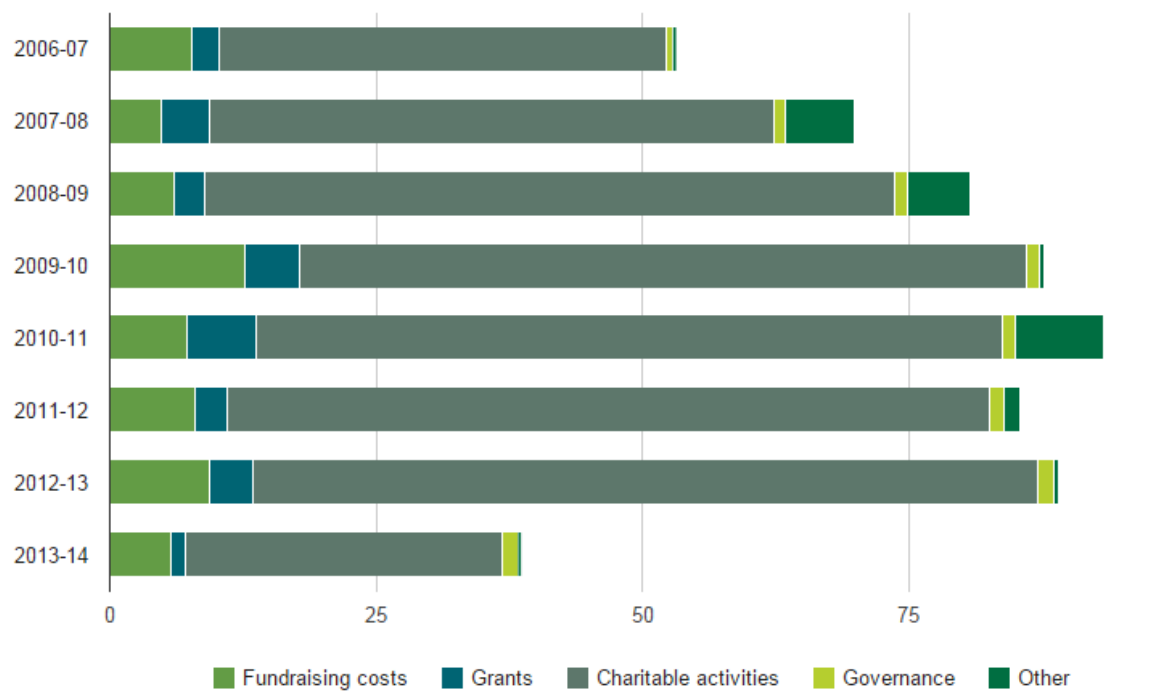


Table 13: Charitable spend in Buckinghamshire



**Scrutiny Inquiry Progress Update on Recommendations**  
**Interim/Final Progress Report (6 months on/ 12 months on) delete as appropriate**

**Select Committee Inquiry Report Completion Date:** April 2015 (Cabinet)

**Date of this update:** 10 November 2015

**Lead Officers responsible for this response:** Lloyd Jeffries (1, 2, 3, 9); Phil Dart (5a); Richard Ambrose (6)

**Cabinet Member that has signed-off this update:** Martin Phillips

Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
<p><b>1a:</b> That the local emergency team promotes the local number alongside the 0845 number. These numbers should be promoted to all partner agencies and District Councils as well as promoted to all County Councillors and service areas within the county council (particularly Children and Families).</p> <p><b>1b.</b> The LES number and information about local emergency support (with links to partner agencies and organisations) needs to be given prominence on the county council's website.</p>	<p>The original 01296 395000 can still be dialled and be connected to the call centre. The Local Emergency Support Team will promote the local number in future and the leaflet and website will be updated accordingly.</p>	<p>Already completed and in place. The local number for applications is 01296 382414, alongside the 0845 number.</p> <p>Local Emergency information and partner agency support including on-line application portal available at <a href="http://www.buckscc.gov.uk/les">www.buckscc.gov.uk/les</a></p> <p>Local Emergency Support applications are being piloted with the digital Firmstep platform.</p> <p>(Lead Officer: Janice Moore, Direct Services Team Manager)</p>	

Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
<p><b>1c.</b> The LES team to develop the idea of “Bucks Support” to help improve access to emergency support services for people in crisis via the county council’s website.</p>	<p>The Bucks Network – an officer level partnership – has a well-established task and finish group working on the topic of Welfare Reform, whose work is recognised as good practice nationally. The Council will work with partners through the Network to consider how we can jointly improve access to emergency support services for people in crisis within existing resource</p>	<p>Links to emergency support services are available via <a href="http://www.buckscc.gov.uk/les">www.buckscc.gov.uk/les</a></p> <p>(Janice Moore)</p> <p>The Bucks Network Welfare Reform Group is currently reviewing its function, following its last meeting in June 2015.</p> <p>The Welfare Reform Group remains the most suitable partnership forum for taking this recommendation forward. The Group is likely to next meet in late November / early December 2015.</p>	
<p><b>2:</b> That the Local Emergency Support team works with the relevant partner agencies to share their current processes with the aim of reducing duplication of effort where possible.</p>	<p>The Local Emergency Support Team works with relevant partner agencies sharing current practices. In particular, where partners become Local Emergency Support Team referring agencies, this is reducing duplication of effort. This practice will be rolled out further across the county where applicable.</p>	<p>All known partner agencies have received information about the on-line portal access and direct access to LES Mailbox. This is working well since up and running.</p> <p>(Janice Moore)</p>	
<p><b>3a:</b> That the local emergency support team considers administering the red voucher system along</p>	<p>The Cabinet has considered this but the Local Emergency Support Team are already a referring agent of the red voucher system that operates for the Trussell Trust. Same day vouchers can be</p>	<p>LES have streamlined the process to the Out of Hours service by direct referral from the team if the application warrants same day service.</p>	







Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
<p>with other partner agencies so that the needs of those facing a 'level one' crisis can be met immediately and statistical information relating to the use of Foodbanks is collected, on a quarterly basis, in a central place.</p>	<p>obtained from Aylesbury and Chesham jobcentres, District Councils and all Citizen Advice Bureau's.</p> <p>Buckinghamshire County Council operates an Out of Hours Service which ensures that anyone fitting the criteria (as per the Local Emergency Support Policy) is able to have immediate access to food via the support worker.</p> <p>Where appropriate, the Local Emergency Support Team will also assist the 'set up' of food banks where the need in rural areas is required.</p> <p>The Local Emergency Support Team currently collects quarterly returns from the Aylesbury Vineyard/One Can Trust and the Chiltern Foodbank and will investigate ways of extending the data collection in order to provide a more comprehensive picture of the use of Foodbanks.</p>	<p>(Janice Moore)</p> <p>With the support LES have given to Central Aid they are facilitating the service in rural areas by promoting this service out in the community. This will include emergency food parcels to the most vulnerable in rural areas.</p> <p>(Janice Moore)</p>	
<p><b>5a:</b> That the County Council actively promotes Credit Unions as a method of saving and also as an alternative to the existing payday loans.</p>	<p>The Council is already actively promoting Credit Unions as a method of saving and as an alternative to payday loans to its staff, and is supportive of continuing its activity in this area. However, the Council recognises the recommendation goes wider and there is a need to ensure that there is a co-ordinated promotion to residents through service delivery.</p>	<p>The Council has a plan of activity to promote the credit unions to residents, including a series of presentations from the Credit Unions to key frontline staff and providers who work with those residents who may benefit most from their services.</p> <p>(Chris Walkling, Policy Officer, Voluntary Sector)</p>	

Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
<p><b>5b:</b> The LES team, in conjunction with other partner agencies, should seek assistance from the corporate communications team to develop a communications and engagement plan to target relevant groups and organisations.</p>	<p>The Cabinet is supportive of developing targeted communications and engagements, subject to the availability of resources. This would need to be developed on a wider partnership basis and the Council will therefore take this recommendation forward through the Bucks Network, including with Credit Union involvement.</p>	<p>The Bucks Network Welfare Reform Group is currently reviewing its function, following its last meeting in June 2015.</p> <p>The Welfare Reform Group remains the most suitable partnership forum for taking this recommendation forward. The Group is likely to next meet in late November / early December 2015.</p>	
<p><b>6:</b> That the County Council explores the possibility of depositing a sum of money from the LES budget with the Swan Credit Union and M for Money Credit Union to allow people to convert their existing payday loans to more manageable loans. This scheme would need to be monitored by the LES team.</p>	<p>The Cabinet is aware that Universal Credit has not yet been rolled out in Buckinghamshire and it is important to ensure that we retain scope within the local emergency support budget to respond to future pressures. Subject to this, we will investigate the potential for supporting the Credit Unions with loan schemes.</p>	<p>BCC is having discussions with the credit unions on establishing a crisis loan scheme. BCC is considering making a subordinated loan to the credit unions to help establish the scheme.</p> <p>This will be discussed further at Cabinet on 9<sup>th</sup> November.</p> <p>(Richard Ambrose, Director of Assurance)</p>	
<p><b>8:</b> That the County Council commits to strengthening its partnership working by fully engaging with the existing partner agency</p>	<p>The Council will continue to support the Bucks Network's work on the impact of welfare reforms and crisis support, within existing resources. This partnership group includes representatives from a wide range of partners. The council will continue</p>	<p>The Bucks Network Welfare Reform Group is currently reviewing its function, following its last meeting in June 2015.</p> <p>The Welfare Reform Group remains the</p>	

Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
<p>networks. Ensure representatives from the mental health team, social care, local emergency support team and the Health and Wellbeing Board are linked in with the relevant external partner agency meetings.</p>	<p>its support for this partnership work and encourage further links with the Health and Wellbeing Board.</p>	<p>most suitable partnership forum for taking this recommendation forward. The Group is likely to next meet in late November / early December 2015.</p>	
<p><b>9:</b> That the County Council apportions the local emergency support budget to the different levels of support. Level one support to be administered via Service Level Agreements with the partner agencies for them to deliver services and support to people in crisis. Level two support to be allocated an amount of the budget to continue to support people to live independently and to receive the ongoing support and advice. Level three support to receive a proportion of the budget to focus on preventative measures to reduce the future demand on level one</p>	<p>The Council agrees the recommendation to administer Level One with partner agencies for them to deliver services and will explore this with partners.</p> <p>With a proportion of the Local Emergency Support funding allocated to supporting Level One, the remaining Local Emergency Support funding allocation should remain with the Local Emergency Support Team so that there is sufficient flexibility depending on the need/requirement.</p>	<p>Level one support with partner agencies in progress. Procedures along the same lines as the Out of Hours service criteria.</p> <p>To offer short term assistance through our partner agencies with a follow up application to the LEST from them....this will capture on going requirement-level 3 support.</p> <p>(Janice Moore)</p>	

Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
support.			

*RAG Status Guidance (For the Select Committee's Assessment)*

	<i>Recommendation implemented to the satisfaction of the committee.</i>		<i>Committee have concerns the recommendation may not be fully delivered to its satisfaction</i>
	<i>Recommendation on track to be completed to the satisfaction of the committee.</i>		<i>Committee consider the recommendation to have not been delivered/implemented</i>



## Buckinghamshire County Council Select Committee

Finance, Performance and Resources Select Committee

### Report to the Finance, Performance and Resources Select Committee

<b>Title:</b>	Update on Digital Strategy
<b>Committee date:</b>	Tuesday 10 November 2015
<b>Author:</b>	[Director sign-off required]
<b>Contact officer:</b>	Matthew Cain, 01296 383920 mcain@buckscc.gov.uk
<b>Cabinet Member sign-off:</b>	John Chilver, Cabinet Member for Resources

#### Purpose of Agenda Item

The purpose of this item is to help Members understand the progress towards 'digital by design' – the agenda to create web-based customer interactions and transactions to supersede current phone or paper-based solutions. The item is for **information** although it may assist in making future recommendations to Cabinet around performance monitoring and financing of the programme.

#### Background

Web-based interactions and transactions are significantly cheaper than alternative channels – phone, paper or face to face. The data collected has fewer errors, can be automatically be inputted into the systems required to take action and used multiple times without requiring re-entry. Many customers now prefer to use web-based services because of the convenience and accessibility – "I can do it when I'm ready, not when the council happens to be open".

The Council endorsed the 'digital by design' approach in the Future Shape business case which set out an ambition to provide:

- an increased number of digital transactions
- a common digital platform so that customers can transact with us easily and introducing a single customer account



- workflow to be digital wherever possible, only using non-digital channels where services cannot be delivered in that way<sup>1</sup>

This would be delivered through our website or mobile platform, and a programme of work in 2012-13 delivered a new website, that could also be used on a mobile device, managed by an external supplier.

The Future Shape digital investment budget enabled the Council to procure four tools that can be used across One Council to support this ambition:

- Telephony platform to enable customer service advisors to handle web chat, social media queries as well as phone and email
- Customer account platform for customers to be able to see the status of their queries and transactions
- E-commerce platform, enabling customer and businesses who transact with us to buy online easily
- Business intelligence platform, so that the business can understand in near realtime how demand and use of council services is changing

The digital tools programme is being developed in phases to ensure that customer service is not adversely affected by new technology:

- The Telephony platform is in operation in the contact centre, and web chat is available for high volume services (e.g. school applications)
- The customer account platform is live in November, and customers using particular services (e.g. waste permit applications, fly tipping reporting) will be able to access an account and use 'intelligent' forms to record data and view their progress
- The e-commerce platform is operational for business transactions and work has begun to introduce it for consumer transactions
- The business intelligence platform is undergoing a stringent set of tests before introduction later in 2015-16

The next phases of work will identify further interactions and transactions that would benefit from these tools. A team in HQ will work on a consultancy basis with Business Units to understand the benefits, redesign processes and tailor the systems to suit their purposes.

## **Summary**

An update on three new programmes of work to address challenges to the 'digital by design' vision: delivering a high quality digital customer experience, redesigning services for digital channels and ensuring these services or products have the appropriate management.

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<sup>1</sup> Future Shape Business Case, March 2014, pg 15

## Key issues

Technology and customer expectations are fast-changing and there is more that can be done to save money and increase customer satisfaction. Recent analysis by the council has identified three important enablers of faster digital transformation:

### 1. Delivering a digital customer experience so good people prefer to use digital

Currently, approximately 30,000 people each year pick up the phone to speak to the council who could have used digital channels. If the council is to change people's habits, its digital customer experience needs to be significantly better than it is today.

A review by the Society of IT Managers in local government (SOCITM) found that despite objective improvement in local government websites, customer satisfaction had fallen 30% over the last year<sup>2</sup>. Customers have greater expectations of how a digital product should work – even in the public sector where high volume central government transactions have been transformed on GOV.UK<sup>3</sup>.

It has become harder to deliver an excellent digital customer experience due to the increase of new devices. The number of people using a mobile device to access the website increased by 45% in the last 12 months. In the last month alone, 844 different devices were used by visitors to the corporate site.

Our analysis suggests that mobile users in particular struggle to use our website. That's particularly important in Buckinghamshire, given the inconsistency of 4G coverage. The number of mobile users who leave the site having viewed only one page is 23% higher than the number of desktop users who do the same.

The council's efforts have also proliferated. Over the last year a number of new requirements have arisen which couldn't be met within existing resources. The council has funded three additional websites – each of which emerged from a legislative requirement – which has fragmented both the available investment and the overall customer experience.

### 2. Greater understanding of the scope for service redesign

The work to introduce the digital tools has been focused on taking services in their current form and migrating the systems and processes to take advantages of the new digital tools. This has led to the business identifying incremental improvements to service design, making them easier for customers to use and cheaper for the council to deliver – for example, by removing unnecessary data or avoiding duplication.

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<sup>2</sup> Better Connected, SOCITM, April 2015

<sup>3</sup> The average user satisfaction of services on GOV.UK is 89.2% <https://www.gov.uk/performance/services>

This work has also led to further understanding of the potential for more fundamental service redesign. For example, the opportunities to connect services that are currently administered separately (e.g. school admissions and home to school transport). This requires a deeper understanding of customer needs than we currently have today.

The scale of service redesign can be a significant barrier to change. Challenges of internal capacity and a lack of flexibility in business applications mean that significant change can take months, if not years – meaning significant business benefits take several years to be realised.

### **3. Dedicated product owners, responsible for continuous improvement to a product**

The council typically has teams that administer processes. More complicated processes often involve multiple units within the council and sometimes a range of external suppliers. For example, the process for administering insurance claims for road users involves seven different parts of the council and its suppliers and five different systems. There is no single officer or team responsible for the customer experience or the performance of the product. Whilst many would like to introduce improvement, there are not routine processes, expertise or budgets to enable continuous improvement.

#### **New work streams**

Digital channels, facilitated by software, provide realtime data on performance and customer behaviour and the opportunity to alter the product on a frequent basis. Transactional services in central government have a named product owner, supported by a team of experts, who can bring about fortnightly improvements to the product.

One Council Board and Customer Information and Digital Board have explored the issues above and endorsed a new programme of work to make faster progress towards the 'digital by design' vision. This work can be funded through existing budgets allocated to the digital investment in the Future Shape business case.

#### **1. Delivering a digital customer experience so good people prefer to use digital**

A team began work on 5 November to assess the opportunities to improve the digital customer experience. Before the end of the year the team will have identified the most important customer needs for our digital services and tested some initial prototypes to define the key principles that should be followed.

The work will be conducted according to 'Agile' principles. At its core, this means developing working software in a few weeks, testing it with customers and building it out in stages – adapting in response to customer insight.





Following the initial phase of work – known as ‘discovery’ – the team will report back to Customer, Information and Digital Board on its progress and seek endorsement to commence the next step, which will involve developing a basic working system.

We will know if this work has been successful if:

- We reduce the number of calls to the contact centre from people who could have answered their query on the website – by 2,000 per month or more
- We increase the number of customers completing transactions online
- We increase customer satisfaction to 80% or more
- We increase the proportion of mobile users accessing our site and the length of time they have to spend waiting for pages to load to central government standards

## **2. Greater understanding of the scope for service redesign**

A small team will conduct an analysis of the council services to identify the cost per transaction, the current digital take-up and customer satisfaction of each service. These measures will become key performance indicators for our digital products.

Customer, Information and Digital Board will be presented with a shortlist of services for recommended redesign. A team of experts will then be tasked with devising non-functioning prototypes, rooted in customer research – a process that will take less than a month.

The purpose of the prototypes will be to:

- Understand the needs of customers, starting from their perspective rather than the ‘as is’
- Identify rapid improvements and savings that can be delivered
- Develop a high level view of the costs and benefits

There is currently expected to be budget for developing three prototypes. By taking them one at a time we will be able to adapt the approach on the basis of what we learn through each. The expectation is that this work will be complete before November 2016.

We will know if this work is successful by:

- 85% or more of our target customers using the prototype
- Customer satisfaction 20% higher for the prototype version than the current service
- Business Units being sufficiently convinced of the value that they develop proposals to develop further two of the prototypes



### **3. Dedicated product owners, responsible for continuous improvement to a product**

There is greatest uncertainty over the role of product owners. We do not currently know:

- If we have the necessary skills in-house
- The most appropriate seniority for the role
- The profile of products that a single person can manage (e.g. one large product or a number of smaller but related products)

We have developed proposals for a programme of work to sit alongside the first two programmes in order to:

- Understand what skills are necessary and the extent to which we have them in-house
- Work across Business Units and HQ to understand the right level of seniority for the role
- Develop a capability building programme for an initial cohort of product owners

#### **Future challenges**

We expect to identify challenges and opportunities as we learn through this work, and these will be reflected in the refreshed digital strategy, for publication at the end of the year:

- The changing skills and capabilities we require both in-house and through our partners (e.g. systems integration, web development)
- The technology and data required to remove paper processes (e.g. to verify a customer's identity)
- The opportunities for new products (or remove existing products) to better meet customer need
- The culture and mindset of the organisation
- The governance necessary to facilitate rapid improvement of digital products which adhere to the core principles set out in Future Shape

The digital strategy, due for publication by the end of the year, will set out how we will ensure we are well equipped to address these challenges

#### **Resource implications**

The financial implications of these programmes are expected to be met by existing digital investment budgets, allocated as part of the wider Future Shape investment.

## **Next steps**

The thoughts of the select committee will be considered in the design of these programmes and used to inform deliberations by Customer Information and Digital board in the governance of this work.



