



Report to the Finance, Performance and Resources Select Committee

Title:	Update on Digital Strategy
Committee date:	Tuesday 10 November 2015
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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 way¹

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.

¹ 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 year². 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.UK³.

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.

² Better Connected, SOCITM, April 2015

³ 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.