



Report to the Finance, Performance and Resources Select Committee

Title:	Briefing on Digital Savings
Committee date:	8 th March 2016
Author:	Sophie Payne and Matthew Cain
Contact officer:	Matthew Cain, ext. 3920 mcain@buckscc.gov.uk
Cabinet Member sign-off:	John Chilver, Cabinet Member for Resources

Context

Future Shape allocated digital savings to each Business Unit, based on a high level understanding of the scale of the opportunity to digitise services and processes.

The digital savings targets were as follows:

	2015/16		2016/17		2017/18
	Target	Actual	Target	Estimated	Target
Communities, Health and Adult Social Care	£53,000	-	£267,000	£2,500	£634,000
Children's Social Care and Learning	£27,000	-	£137,000	£127,000	£325,000
Transport, Economy and Environment	£28,000	-	£142,000	£170,000	£337,000
Business Services Plus	£112,000	£142,000	£332,000	£161,500	£474,000
HQ	£2,000	£18,000	£7,000	£37,500	£18,000
Total	£222,000	£160,000	£885,000	£498,500	£1,788,000

To support the digital savings, the council invested in digital tools to help support channel shift - moving customer interaction from phone to self-serve digital channels.

The digital reserve (capital) budget invested in three key 'digital tools' to support the digitisation agenda:

- from July 2015, a new telephony platform (C-Talk), enabling the Customer Service Centre to see the history of customer contact across telephone, email and self-service digital
- from November 2015 a customer account platform (provided by Firmstep) which enabled customers to input data and see progress of their requests
- from February 2016 an e-commerce platform (provided by Shop for Support) to improve the experience of purchasing multiple products

The purpose of this item is to help Members understand the progress towards digital savings. The item is for **information** although it may assist in making future recommendations to Cabinet around performance monitoring and financing of the programme.

Current status

The digital savings targets for 2015/16 will not be realised. As Customer, Information and Digital Board noted consistently during the year, Business Units had not identified comprehensive plans either to take advantage of the digital tools or undertake broader digital transformation projects.

However, efforts during the year have identified 40 stand-alone customer contacts that can use the digital tools to facilitate digital self-service and over 1,000 customers have signed up to an account since its introduction. The e-commerce platform will also support a broader range of products - and the improved customer experience is expected to lead to better customer conversion rates. As a result, the digital tools are expected to deliver efficiency savings alone equivalent to £100,000 in 2016/17 and at least that in subsequent years.

We have also avoided costs by getting as much value as possible from our existing tools. For example, by migrating the transportforbucks.net webpages to the corporate website, we could avoid purchasing a new service which was estimated to cost as much as £300,000.

In response to concern over the progress towards digital savings, One Council Board led a 'deep dive' into digital which recommended concerted work to understand the scope for digital transformation in discrete areas. HQ Digital created two 'digital exemplars', focused on our highest volume transactions, examining the end-to-end service experienced by the customer and developing a digital service so good that people prefer to use them.

The exemplars work has identified significant back-office inefficiencies which can be addressed through creation of bespoke solutions. This work has already saved £30,000 that was allocated for a revised home-school transport map and across both exemplars, has a target for saving £300,000 in 2016-17.

The table below summarises the estimated digital savings for 2016/17 based on the current digital projects:

Business Unit	Current estimated savings for 2016/17
Communities, Health and Adult Social Care	£2,500
Children's Social Care and Learning	£100,000
Transport, Economy and Environment	£180,000
Business Services Plus	£19,500
HQ	£19,500
Total	£321,500

Lessons learned

We have learnt five key lessons from this work:

1. Better management and performance information is needed to drive decision making

We do not have clear management or performance information to identify opportunities for digital. Services do not routinely capture digital uptake, customer satisfaction or cost per transaction. This makes it difficult for a Business Unit to identify the whole cost of a service and prioritise transformation.

2. Digital capability is vital

Many service areas lack the capacity to engage with digital projects alongside 'business as usual'. Whilst many understand how to take existing processes and apply them to digital (e.g. producing an online version of a form), taking full advantage of technology requires a more detailed understanding of service design.

Business Units are currently putting in place digital expertise to provide a focal point for co-ordinating transformation.

3. Significant savings require service design

The intensive work on the exemplars has identified the potential for more significant digital savings. For example, there are over 52,000 contacts per year from the 18,000 customers who apply for a school place. However, reducing phone calls alone will not save money

unless the demand is reduced. A corresponding increase in emails, for example, would actually increase costs.

Across our services, there are common barriers to enabling digital self-service:

- Accessing services can be complicated and stressful for customers and designing an experience that's so easy that people prefer to use it requires expertise
- We need to move data in and out of business applications which requires technical expertise we don't typically have in-house
- Reassuring customers requires regular, clear and personalised notification
- Verifying a customer's identity is often a manual or paper-based process

The digital strategy envisages three further exemplars, focused on our highest volume services. BCC will need to decide the right timing of this work: whether the digital savings from the initial exemplars need to be realised first or the programme expanded in order to deliver to support the digital savings targets of 2016/17.

4. Supporting greater co-ordination

The business can struggle to get maximum value from its existing technology and there are examples of individual Business Units procuring packages that include functionality we already own. Business applications with customer front-ends are purchased with insufficient understanding of the opportunities provided by existing tools or the costs generated by sub-standard customer experiences.

5. Importance of new ways of working

Typically our customer-facing digital solutions take months to "make work" and are not tested with customers until the project is well-advanced. Where these solutions join two pieces of technology, BCC typically acts as a 'post box', co-ordinating stand-alone suppliers, and lacks sufficient understanding of either technology to identify the best solution.

The exemplars project has involved research with customers from the first week of the project, producing over 30 prototypes in 13 weeks to show customers and understand what they do and do not need. Having technical experts on site has enabled us to build solutions rapidly, often at lower cost.

Further action required

In addition to the actions described above, we believe that further action is needed to ensure the digital savings can be realised.

Strengthened role for CID board to support accountability and co-ordination

We believe that CID would benefit from a broader remit, namely:

- All customer-facing solutions requiring sign-off from CID board, using the digital service standard it adopted in November
- All Business Units required to report monthly to CID board on the pipeline of digital activities
- All digital services required to report monthly on performance, particularly cost per transaction, digital uptake and customer satisfaction
- A £0 spend control on digital will help ensure co-ordination and get the full benefits from our existing technology

Better management and performance information

The business needs to produce and publish management and performance information. Individual services could be required to publish quarterly information detailing digital uptake, the total cost per transaction and customer satisfaction and this information used to identify the support and challenge necessary to stimulate further digitisation.

Embedding new ways of working

We need to do more to understand how to embed new ways of working, and particularly to understand how to support rapid deployment of new technology and iterative development. Currently, our management of risk and the way we work with key enabling functions (e.g. ICT, finance and facilities) all present challenges for resourcing and managing Agile projects.

Conclusion

We have not met the digital savings targets of 2015/16, which is disappointing. However, we believe the experience has taught us valuable lessons for realising future savings - and many of these have been acted on. But more work and investment is required if we're to meet the scale of our ambitions.