

REPORT TO:	CABINET 15th DECEMBER 2014
AGENDA ITEM:	10
SUBJECT:	Transformation Strategy: Digital by Design and Enabling
LEAD OFFICER:	Graham Cadle, Director of Customer, Transformation and Communications
CABINET MEMBER:	Councillor Simon Hall, Cabinet Member, Finance and Treasury Councillor Mark Watson, Cabinet Member, Safety and Justice
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: The Digital by Design and Enabling Services project will support the corporate priorities of Ambitious for Croydon around Growth, Independence and Liveability.	
AMBITIOUS FOR CROYDON & WHY ARE WE DOING THIS: Ambitious for Croydon highlights that Croydon will review council structures to allow greater efficiency, rapid decision making and focus on front line services. The Digital by Design and Enabling Core projects aim to consolidate enabling spend and to apply digital solutions that help reduce the cost and way in which we do business, to both the customer experience and to our internal services and processes.	
FINANCIAL IMPACT Over the period 2015/16 the draft plans already in place are expected to deliver savings of £2.75m. There will be further opportunities identified as more detailed work is completed.	
KEY DECISION REFERENCE NO.: This is not a key decision	

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

The Cabinet is recommended to approve:

- 1.1 The principles of and approach to delivering the Digital by Design and Enabling Core projects.

2. EXECUTIVE SUMMARY

- 2.1 Cabinet will be aware of the significant financial challenges faced by the Council over the period 2015/18 and potentially beyond. Currently the Council spends circa £75m per annum on enabling functions, which makes up over 40% of its total spend. In order to maximise the effectiveness of reduced resources and in order to improve services it is critical that the council reviews the way it provides services to residents and how internal processes and practices support front facing services.
- 2.2 Digital by Design and Enabling Core are two Croydon Challenge projects that will;
 - a) develop and apply digital solutions that help reduce the cost and streamline the way in which the Council does business, to both the customer experience and to internal services and processes, and
 - b) further simplify, standardise and share enabling spend in order to provide a more agile and effective support function.
- 2.3 The principles for the Digital by Design and Enabling Services are set out in paragraph 5.10.

3. BACKGROUND

- 3.1 The coalition government has followed a policy aimed at reducing the public sector deficit, principally through reductions in public expenditure. As a result, councils have had significant reductions in their funding from government grants and further reductions are expected over the medium term. At the same time the Council has faced increasing demand for some services due to demographic pressure (population growth due to natural increases and migration, particularly in older age groups and children) and the consequences of other government policies such as welfare reform.
- 3.2 The London Borough of Croydon is no different from other councils. In order to balance its budget the Council has delivered over £100m in efficiency savings so far with a 31% reduction in government grant.

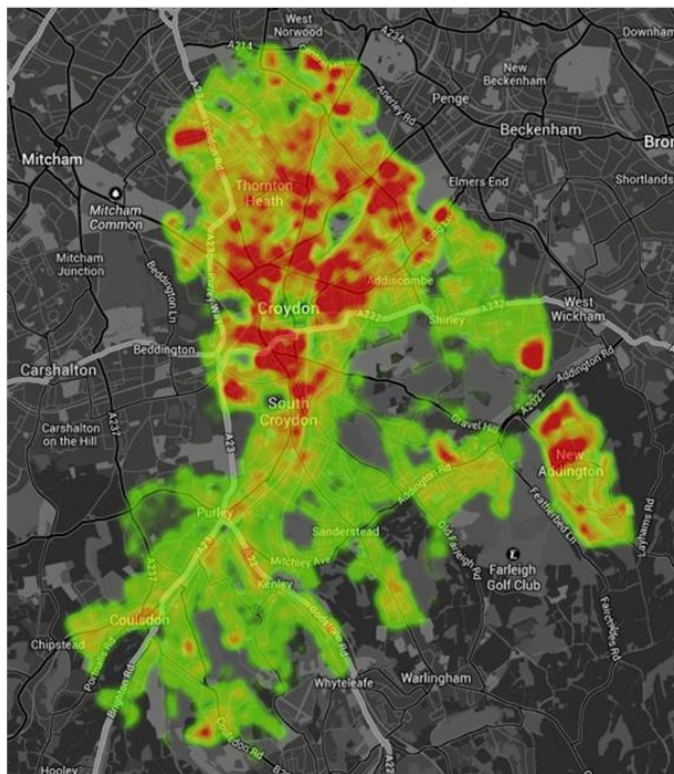
- 3.3 Despite this, further funding and grant reductions are expected from national government over the medium term with a funding gap of over £100m projected by 2017/18 (a quarter of the base budget). To address this funding gap the Council has initiated the Croydon Challenge programme to drive through the transformation of Council services. The programme will focus on making the council more efficient but, critically, more effective, through a focus on the right outcomes, and delivering services to the public that changes people's lives for the better. While focusing on managing this challenge, the Council will also be demanding the government take immediate action to deliver a fair funding share for the people of Croydon.
- 3.4 The Council has already made significant progress in developing services through digital channels to both reduce costs and improve customer satisfaction. There has been targeted improvements to the website with a focus on improving the number and quality of transactions. The improvements for customers have recently included the launch and continual improvements to the website, MyAccount and the My Croydon app.
- 3.5 This has resulted in face-to-face contacts decreasing by 28% (now costing £4.78 per transaction), online transactions increasing by 19% (now cost 0.84p per transaction where integration is available and £2.21 where integration is not yet available) and phone calls decreasing by 13% (now costing £3.83 per transaction). The total savings has been in the £3.85m p.a. across the council.
- 3.6 Similar in terms of its internal support services the council has already proven the opportunity by consolidating a number of key services, which has provided significant savings and improved alignment and resilience in support.
- 3.7 However, in both instances there are now a number of further opportunities identified where we can use these approaches more widely building on the initial work and aligning improvements to support other Croydon Challenge projects.
- 3.8 In 2013, 36 million adults (73%) in Britain accessed the internet every day and therefore utilising new technologies is not only a more effective and efficient way of delivering services, but also the way many of our residents expect to communicate with the council.
- 3.9 Whilst utilizing these approaches we are very aware of those residents who do not have access or the right skills to allow them to use online services and our approach will therefore ensure we are able to fully support those residents to either be able to access those online services or to be able to access by an alternative method that suits the individual.

3.10 For individuals, not having access to online services can mean much more than just not accessing certain council services as internet access can provide reduced costs of living. It is estimated that households offline are missing out on savings of £560 per year from shopping and paying bills online, or being able to keep in touch with family members and friends. The internet also provides improved job prospects as being digitally capable is critical in finding and securing a job. Similarly, reducing digital exclusion can help address many wider equality, social, health and wellbeing issues such as isolation. 81% of people over 55 say being online makes them feel part of modern society and less lonely.

4. Current position and progress to date

4.1 We have already been making significant progress in improving our online service offer and already over 54,000 local residents have signed up to “Myaccount” the Councils online account service. Data shows that those residents signing up have been from across the Borough and of varying ages, proving that the community’s capacity and preference for such services has already developed significantly. The tables and map below reflect sign-ups;

Split of My account sign-ups by geographic area.



Split of My Account registrations by age

Count of Age		Count of Age	
15-19	1108	15-19	3.10%
20-24	2167	20-24	6.06%
25-29	3968	25-29	11.09%
30-34	5085	30-34	14.22%
35-39	4849	35-39	13.56%
40-44	4595	40-44	12.85%
45-49	4228	45-49	11.82%
50-54	3556	50-54	9.94%
55-59	2409	55-59	6.74%
60-64	1576	60-64	4.41%
65-69	1127	65-69	3.15%
70-74	515	70-74	1.44%
75-79	271	75-79	0.76%
80-84	179	80-84	0.50%
85-89	75	85-89	0.21%
90-94	40	90-94	0.11%
95-99	7	95-99	0.02%
100-104	10	100-104	0.03%
Grand Total	35765	Grand Total	100.00%

Nb data as at Sept 2014

4.2 The below case studies give two examples of how services in Croydon have already been transformed positively utilising digital technology;

Case Study: Housing Register

Housing Options self-help tool to assist customers who would apply for a council property.

Previously customers would fill in applications, wait for an assessment appointment, attend an appointment with documentation and then be given a decision within 4 weeks of the appointment. 100% of applicants would need to be seen in a face to face setting and if customers wanted to appeal the outcome then the process would be elongated

The new self-help tool now in place means that 70% of customers will get an immediate decision. Residents not qualifying are given a range of options and an action plan is produced. 30% of customers are offered an appointment based on further details being required and the appointment is also booked on line at the customers convenience. Those residents having to come into Access Croydon has reduced by 70% and there are now no repeat appointments. Back office housing teams also work more efficiently as the self help tool means the information is readily available and doesn't need to be scanned or transcribed from the original written application

If a customer is not able to use a pc then they can come into access Croydon and the will have assistance from one of the floor walkers

Case Study: Libraries

The Council previously received around 20k library renewal and pc booking calls per year. There was a library portal available but customers were not proactively encouraged to use it. A 2 staged approach was taken to signing customers up to the online portal and they were provided with their “pin number” to log on. Over 12 weeks the approach continued until a firmer stance was adopted of asking residents to serve online. Staff in libraries supported residents to be able to access digital services. No complaints were received in respect of this change in service. The council now receives minimal calls in respect of these services.

Another 15 projects were undertaken to deliver specific services on-line whilst the contact centres satisfaction rate remains high at 91% and Access Croydons customer satisfaction is up to 95%

Socitm have recognised Access Croydon as best in class for assisted self serve and this is a strong example of our commitment to customer and digital inclusion

Most popular services

We have 54402 customers on line and have collected £4m+ online, over which 85% is rent payments. By providing an online portal, cash payments to the council have reduced significantly.

The “Report it” functionality is the most used service online (missed bins, flytipping, graffiti etc)

We have had in excess of 120,000 transactions and interactions online to date since the launch of the account.

What our customers say

A survey conducted of residents who have used “MyAccount” found the following:

8 out of 10 residents found signing up for my account easy or very easy

7 out of 10 residents found services on my account easy to search for

8 out of 10 residents liked how my account looked

9 out of 10 residents would use my account again

8 out of 10 would recommend my account to other residents

5. FUTURE OF DIGITAL SERVICES AND THE ENABLING CORE

5.1 The web now has over 2.4 billion users worldwide. To put this incredible speed of adoption in some context, radio took 38 years to reach 50 million users, television took 13 years, web took 4 years and Facebook took just 10 months. In 2013, 89% of young people now use a smartphone or tablet to go online, up from 43% in 2010. So the pace of availability and take up continues to increase and expectations of organisations ability to utilise and offer such services continue to rise

5.2 The internet has also improved people’s lives, whether through cutting household bills, finding a job or maintaining contact with distant friends and relatives. For business and voluntary organisations, going online can provide ways to reach more customers and reduce operating costs. The internet also

provides broader benefits, by helping to address wider social and economic issues like reducing isolation and improving health.

- 5.3 Nationally there is a significant investment in internet access and digital infrastructure, including public investment of over £1 billion to boost coverage of superfast broadband across the UK (to 95% of premises by 2017), and to connect businesses in our major cities. The governments digital inclusion strategy (April 2014) aims to get 2.7m more people online before 2017.
- 5.4 A significant part of the council's costs are in respect of handling customer enquiries and requests for advice and information. Technologies and approaches as above are now available that allow customers to fulfil many of these requirements without manual intervention. This not only significantly reduces cost to the council but also increases customer access, service levels and supports independence and aids good health. It can also facilitate local communities to support themselves and their local area.
- 5.5 Embracing changing patterns of communication enables a reduction and even decommissioning of inefficient and costly channels. To maximise the efficiency and service opportunity, the technology solution must be tailored to customers and integrated to back office systems to automate as much of the process as possible.
- 5.6 In addition an open public service approach will encourage the development of new types of service provision that will promote and support independence in some instances without Council involvement.
- 5.7 The Council is aware that some residents in the borough currently do not access council services which they are entitled to. It will be important to make sure these customers are identified and supported either through those digital channel or alternative arrangements, and this is picked up later in the report.
- 5.8 As well as the way the Council manages external contact and enquiries there is an opportunity to consolidate internal spend by exploring the potential to simplify, standardise and share approaches for enabling support.
- Simplify:** Identifying complex processes and systems by challenging how they're delivered and comparing them to leading practice.
- Standardise:** Identifying what processes and systems can be standardised to deliver the most benefits.
- Share:** Making sure new models of working are shared to improve performance across the Council.

5.9 This would create a more agile structure that strips out duplicate and fragmented ways of working and enable us to focus on the aspects that create value for our customers. This would include stripping out costs of enabling that do not add value to what matters to customers. By improving processes and investing in technology the Council can significantly improve the efficiency and effectiveness of many of its systems. This will allow for a self service approach to a number of functions, continuing the approach to professionalise a number of functions into one team with the purpose of improving its effectiveness.

5.10 There are a number of ways in which the approaches can be used to support the Council's ambitions and specifically to assist in improving independence, growth and liveability. These projects will also support a number of other Croydon Challenge opportunities, ensuring new service models and actions have the appropriate support and customer access arrangements. The following principles are therefore proposed to be applied across the councils services:

Smart outbound information – using digital channels to send information to customers, eliminate paper and to reduce the demand from inbound communication

Online services – increasing uptake of mobile/online information for high volume contact areas, and increasing the completion rates for existing online applications, assessment hub, bringing together assessment activity and reducing paper based evidence. Also making online bookings and automate the service response, the ability to report online and automate the service response including status updates (e.g. progress), and the ability to make payments

Predictive analytics – using data to help design rules that allow the Council to make better decisions such as earlier intervention

Information integration – bringing together different views of a customer/asset to make better decisions, reduce delays, duplication and costs from having multiple systems

Community self-service – giving customers the tools to help themselves

Consolidation with partners – reducing costs incurred across partners by doing them better together

Self-service – providing self-service tools and support to reduce administration costs

Virtual Training – expanding the use of online training to reduce overall training costs

Rationed professional support - development of a service 'menu' and operating to a reduced service level

5.11 A key factor in how new digital services are utilised and the level of efficiencies and service improvements achieved will be how they are communicated and marketed. Again, experience to date has shown that whilst customers are happy to use online facilities they often need a reason or prompt to move from current contact methods. Therefore in order to ensure the opportunity for each of the new services is maximised, communications will be balanced between assisting, prompting and encouraging residents to new arrangements whilst ensuring those unable to access them are supported in the right way.

- 5.12 Work to date has shown that effective means of support can be put in place and can assist in effectively supporting people to use such channels or provide alternative communication arrangements. This ranges from revising council communication to better reflect the preferred method of contact through to individual support.
- 5.13 As an example, for this Council where a resident is reporting as homeless the current approach is to complete an online assessment. This will either provide options for them to assist themselves or link through to an appointment with a member of staff, depending on their circumstances. Whilst, in many cases, those reporting are some of the most vulnerable residents, most are found to be very willing and able to use the online systems. Others can very easily be assisted by staff, through training (which is provided to residents from the Access Croydon service), or through third sector and other local support agencies. Often by assisting the resident to access services, use the internet and even set up an email account, a number of other opportunities are opened up more widely than those they were initially requesting.
- 5.14 Following the application of the principles to the areas above, and others that arise, a detailed business case will be produced. For each service and workstrand there will be clear approaches to designing a service for customers, ensuring the right communications to assist customers to the most efficient and effective contact method and specific arrangements to ensure those unable to take up the new service offer have options and appropriate support so they are not disadvantaged, but wherever possible can benefit and grow independence more widely from the services.
- 5.15 There are already some national support arrangements in place to assist residents including; [Asda](#) are delivering a national programme of free face-to-face advice sessions on going online in 60 stores with [The Tinder Foundation](#) and [EE](#) will launch a National Techy Tea Party Day in all its UK stores, contact centres and offices on 9 September, providing support for those seeking help with their digital skills. The Council is already linking in to many of those arrangements for instance anyone coming into the Access Croydon facility who is on benefits and needs support in accessing online services is directly linked into free training and support arrangements where appropriate.
- 5.16 Support will be provided in respect of;
- Digital skills - being able to use computers and the internet.
- Connectivity - access to the internet.
- Accessibility - services will be designed to meet all users' needs, including those dependent on assistive technology to access digital services.
- 5.17 Being digitally capable can make a significant difference to individuals and organisations day to day. For individuals, this can mean cutting household bills, finding a job, or maintaining contact with distant friends and relatives and as explained above on average. The internet also provides broader benefits, by helping to address wider social and economic issues like reducing isolation and

supporting economic growth. Therefore this support is not only key for the Council in providing its services, but also a huge opportunity to provide a key skill and access into wider services and support.

5.18 There are numerous examples of how such support has successfully assisted residents elsewhere to access services and two examples are given below;

Liverpool City Council

- 104,000 adults in Liverpool had never used the internet in June 2011 (29.1% of the population).
- Liverpool city council partnered with Martha Lane Fox's Race Online 2012 campaign, aiming to reduce number of adults offline by 25%.

Solution:

- Broad based partnership (cross sector steering group)
- Promotional campaign for benefits of going online.
- Digital champions established in local communities – encouraging local and businesses. Allowed each partner to control and recruit and manage own champions.
- Linked into government broadband programme to improve access in the region.

Success:

- Reduced number of adults never online by 55% over 18 months.
- Recruited 1500 digital champions

Wiltshire online

- Council estimate 68,000 people in Wiltshire never been online and many lacking confidence online.

Solution

- Wiltshire council rolling out super fast broadband to a minimum of 95% of premises by 2017 as part of huge UK government broadband programme.
- Recruiting, training and managing team of volunteers to provide a programme of free support for Wiltshire citizens. Two tier volunteering structure of volunteer coordinators (14) and digital champions (53), working with the local Volunteer Centre. Coordinators work at a local level while champions visit local's homes or provide support at Wi-Fi enabled venues. No set course or programme for digital champions to follow, and so offer tailored service.
- Partnership programmes aim to complement existing training services.
- Interactive map on Wiltshire online signposts people to existing computer clubs and learning providers. Interactive map also identifies free Wi-Fi hotspots across the country for digital champions to use. Local organisations can sign up to provide free Wi-Fi and given a sticker to put in their window.

- Setting up bespoke project with Job Centre to provide volunteer support.
- Wiltshire online piloting a laptop refurbishment scheme, offering old council laptops for £60 through partners.

5.19 The types of local community assets and facilities that will be considered to support this approach include;

- Libraries
- GP surgery
- Housing associations, Housing officers
- Local colleges
- Post offices
- Citizens advice bureau
- Social workers
- Health professionals
- Care workers
- Community development workers
- Charity workers
- Volunteers

5.20 As the service solutions are developed the appropriate support and assistance schemes will be identified and worked through as part of the overall business case and approach.

5. CONSULTATION

5.1 This report is for information only. Detailed consultation exercises will be undertaken in specific services as required

6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

6.1 The detailed Business Case will outline the revenue and capital costs and savings.

6.2 There is currently £2.75m of efficiencies included in the latest 2015/16 budget options from this project

6.3 There are further potential savings of £3.4m in both 2016/17 and 2017/18 but these amounts need further detailed work to confirm and are not included in the budget at this point

7. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

7.1 The Council Solicitor comments that there are no direct legal implications arising from this report.

(Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer)

8. HUMAN RESOURCES IMPACT

8.1 The Human Resources impact will be considered as part of the Business Case.

9. EQUALITIES IMPACT

9.1 The Digital by Design and enabling Core project provides the Council with an opportunity to further develop and use digital channels to increase customer access and service levels and also maximise service efficiency. The Council has already made significant progress in developing services through digital channels to reduce both costs and improve customer satisfaction through the continual improvement to the website and the launch and the launch of the a number of new digital applications for customers such as the MyAccount and My Croydon apps for customers.

9.2 The Digital by Design approach can assist in the development of new types of digital service provision that can help us to promote independence and also facilitate local communities to support themselves and their local area. The challenge that we face in this to ensure that the technology solution is tailored to the varied access needs of our diverse customers so that automation does not increase or create barriers to access or lead to potential disadvantage or exclusion.

9.3 In order to mitigate the above mentioned risk equality analysis that factors in digital exclusion issues will be undertaken as part of the development of new facilities for key services. This will enable the council to assess the actual or likely impact (if any) of particular elements of the Digital by Design principles on equality groups that share a protected characteristic in relation to review of services such as adult social care, housing needs, school admissions, revenues and benefits and looked after children.

9.4 A full equality analysis that factors in digital exclusion issues will be undertaken for specific services as required and aligned with the specific service development. It will include the use of existing and new (if needed) research and consultation with customers to assess where the Digital by Design project / approach to service delivery is likely to have any adverse impact on people who share a protected characteristic and those who do not and will define mitigating actions where they are needed.

9.5 The next round of the Active Communities Fund that will be launched in April 2015 will introduce a new priority - developing a community response to addressing digital exclusion. The Stronger Communities Partnership will also have digital inclusion as an area of focus.

10. ENVIRONMENTAL IMPACT

10.1 None

11. CRIME AND DISORDER REDUCTION IMPACT

11.1 None

12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

12.1 This report is for information only.

13. OPTIONS CONSIDERED AND REJECTED

13.1 This report is for information only.

CONTACT OFFICER: Matthew Wallbridge, Head of Transformation and Service Improvement

BACKGROUND PAPERS -

None