

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 31st March 2015
Report of: Chief Operating Officer
Subject/Title: Digital Customer Services
Portfolio Holder: Cllr David Brown, Strategic Outcomes

1.0 Report Summary

- 1.1 The Council has developed the business case for Digital Customer Services, presenting the case for change to embrace the digital age and to enable customer contact across all services to be primarily delivered through digital channels.
- 1.2 Designing and promoting services that are 'digital by default' will improve access for residents and help the council meet its commitment to be a 'resident first', effective and efficient council.
- 1.3 36% of Cheshire East residents prefer to use digital channels in the way they access services today, and there is the potential for 70% of our residents to shift to digital in the way they interact with the Council. Our Customer Portal will provide a single route into the Council's digital services, with information tailored around the individual's specific needs and requirements. It will link various back office systems and data sources to provide an easy-to-use digital one-stop shop for customers.
- 1.4 Our Assisted Digital solutions will provide a safety net for vulnerable and digitally disconnected customers, coaching and building the confidence of customers to use digital channels to enable them to self-serve in the future.
- 1.5 Digital community hubs will encourage and enable customers to collaborate with the rest of the community, help people to access a support network, giving them information about relevant services while at the same time potentially addressing issues of isolation and loneliness.
- 1.6 As well as delivering world class digital solutions that puts the Council always within our customers' reach, the programme will deliver an annual recurring financial net benefit of £2.3m, with break-even 3 years after mobilisation.
- 1.7 Implementation of the business case requires the mobilisation of a Programme to manage the business transformation and implementation of enabling technology, as well as the internal and external communications that are key to driving the right behaviour of both customers and business users to realise the benefits.
- 1.8 The programme team will be made up of several work streams focussed on delivery of a set scope of activities but with project governance and integration

across work streams. The team will include resources from the Council, PricewaterhouseCoopers (PwC) and an IT implementation partner.

- 1.9 The summary business case (executive report) is provided as an appendix to this report.

2.0 Recommendation

- 2.1 To authorise the Chief Operating Officer, in consultation with the Portfolio Holder, to take all necessary actions to implement the future digital by default operating model for customer contact, including:

- Extending the existing contract with PwC to encompass further work packages to support implementation
- Identifying an appropriate IT implementation partner(s)
- Mobilising the Programme team to begin implementation

3.0 Reasons for Recommendations

- 3.1 Digital technology is disrupting traditional business models and changing customer expectations within Cheshire East.
- 3.2 Cheshire East is striving to be a 'resident first' Council and seeking to deliver a higher quality of customer service with a lower cost to serve.
- 3.3 In order to be a leading Council, Cheshire East needs to embrace digital as an opportunity.
- 3.4 Cheshire East residents' shift to digital and social media ought to be reflected in the way customers interact with their council.

4.0 Wards Affected

- 4.1 All wards

5.0 Local Ward Members

- 5.1 Not applicable

6.0 Policy Implications

- 6.1 The implementation of digital services will require the Council to review and challenge policies to support digital service delivery. This will include policy simplification where it detracts from the target customer experience and the proportionate use of risk assessment in determining eligibility for services. Policy changes will be reviewed and approved as appropriate during implementation.

7.0 Implications for Rural Communities

- 7.1 Digital services enable those that cannot physically access Council services to access them remotely. It is acknowledged that access to Broadband in rural areas is still a challenge. The Connecting Cheshire project provides fibre

broadband to homes and businesses outside of commercial roll-out areas, aiming to connect a further 10,000 premises across Cheshire, Halton and Warrington with fibre connectivity by September 2017.

8.0 Financial Implications

- 8.1 The business case estimates a cumulative cost of £5m by the end of 2019/20, offset by a cumulative gross benefit for £8.5m. The break-even point is Q1 2018/19. There is a recurring net benefit of £2.3m by 2019/20. The cumulative cost estimate includes ongoing consultancy services from PwC to support the delivery of the programme up to a total estimated contract value of £1.85m.
- 8.2 The cost of implementation has been included within the Council's Medium Term Financial Strategy 2015/18 through the Digital by Design programme, with a capital budget of £4.9m. The recurring costs will be funded from ICT revenue budgets. It is also likely that some of the technical changes and hardware included within the scope of this programme are already planned within the ICT Essential Replacement and Enhancement programme or as requirements and budgeted for within service specific projects.
- 8.3 Changes to revenue budgets to reflect the financial benefits and any recurring ICT costs will be included in the 2016/19 Medium Term Financial Strategy.

9.0 Legal Implications

- 9.1 The Council has already completed a procurement process using the consultancy ONE framework in order to contract with PwC for the provision of consultancy services to support the delivery of the Digital Customer Services programme.
- 9.2 Only work package one (Detailed Design) was guaranteed under that Contract to enable development of the business case for Digital Customer Services (total value £395k which includes the additional services referred to in paragraph 11.3).
- 9.3 This report seeks approval to proceed with work packages 2 – 4 (which is a contract condition), to support the phased implementation approach.
- 9.4 The costs of work packages two to four were estimated at tender stage (as per paragraph 9.1) and under the terms of the Contract the exact costs will be agreed prior to confirmation to proceed with each work package.
- 9.5 The identification of the eventual IT implementation partner will be subject to procurement and contractual procedures.

10.0 Risk Management

- 10.1 There are a number of key strategic risks to the successful implementation of the digital solutions and the realisation of benefits. The key risks and mitigating actions are provided in the appended business case executive summary.

11.0 Background and Options

11.1 The Council began working in partnership with PwC in July 2014 to develop the high level business case for Digital Customer Services. This enabled the Council to:

- Define its ambition by agreeing an overarching set of design principles
- Create several customer personas to reflect the diverse range of customers using council services and understand their needs and expectations
- Develop a high level future operating model and the digital solutions required to empower both customers and the Council
- Understand where benefits could be driven from at a service level
- Estimate savings and implementation costs
- Develop an implementation approach and timescales.

11.2 From November 2014, the Council again worked in partnership with PwC to complete Detailed Design. The purpose of Detailed Design was to:

- Translate the high level digital solutions and business case into implementation activities
- Understand the full impact on each service area in scope
- Produce a detailed design brief and implementation plan
- Obtain clarity around the IT infrastructure – how it will work and what it will look like
- Agree details around what the change means for Cheshire East's customers and staff
- Provide increased certainty around the investment case (benefits, costs and impact on financial strategy).

11.3 Adults services is not included within the business case for Digital Customer Services at present. During the Detailed Design phase it emerged that further work is required to define the new customer journey and future operating model for Adults and clearly plan the progression to meet the Councils requirements for Care Act compliance and future strategy around integrating with health. A separate work stream has been established to rapidly develop the new operating model for Adults. The Digital Customer Services business case will be updated to include Adults services once this work has been completed.

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: > Paul Bayley
Designation: > Principal Manager Local Community Services
Tel No: > 01625 378029
Email: > paul.bayley@cheshireeast.gov.uk