DIGITALISATION IN LOCAL GOVERNMENT AND THE ROLE OF HR

Purpose

To investigate the impact of digitalisation on local government and consider the opportunities it represents, answering the question, "*What effect has digital technology had on Councils and will embracing such technologies create further opportunity to configure services differently in the future?*"

We have focused on the following:

1. What are the main drivers?

2. What effect has it had on Councils?

3. What can we learn and improve on from others?

4. What opportunity will it create to reconfigure services in the future?

5. What role can HR play?

In our profession we are given a unique vantage point. We see the impact of change on our workers, and therefore on the organisation as a whole. We see an important part of our role as raising awareness of this in order to tackle both the effects and some of the underlying causes. Therefore this report is both proactive and grounded in pragmatism, providing a glimpse of where we need to be, and why, whilst examining some of the things that will hold us back in reality.

The gap between 'how things should be' and 'how things are' is a recurring theme in organisational conflict and resilience. This impacts front line services and can be very expensive in terms of reduced performance. HR makes a strong contribution when it strategically assesses impact of change on working practices, by

- raising awareness of costs and unintended consequences associated with imposing change,

- mediating to achieve pragmatic and win/win solutions,

- highlighting processes or cultural norms that are pushing in the opposite direction and therefore need to modernise and adapt,

- facilitating healthy consensus through change management models that prioritise greater insight and understanding into the way people behave.

The orange boxes highlight some 'Reality Checks'. As with the wider public sector, funding cuts often present a compelling business case on paper. However in a sector that has very little ability to manage demand, the reality experienced by the front line worker can often be very different.

1. **What are some of the main drivers for increasing digitalisation or re-configuring services?**

Cuts in funding:

It is no surprise that one of the biggest drivers is the scale and speed of funding cuts. What is less well understood is that this is also a significant barrier to implementing cheaper models of delivery.

There is a widening gap between spending requirements and funding likely to be available. Demand will continue to grow while resources reduce. The table below shows the drastic nature of this:

LGA's Future Funding Outlook

Transforming Local Public Services – LGA

Where the customer can self-serve on-line, services are less expensive than those that use face to face interaction.

"Self-service will address budgets deficits- £1.42 million saving in next 12 months"[1].

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[1] Digital Self-Service in the Public Sector – GOSS.

Statistics from *SOCITM 2012 - Potential for Channel shift in local government* highlights the following costs:

Source Channel	Socitm Insight May 2012	Socitm Insight Dec 2009	NWeGG 2006
Face-to-face	£8.62 per transaction	£8.23 per visit	£7.81
Phone	£2.83 per transaction	£3.21 per call	£4.00
Web	£0.15 per transaction	£0.39 per visitor	£0.17

One of the biggest traps to avoid is to view digitalisation as simply transferring existing services online. Systems are only a delivery model. To ensure services are intuitive, 'citizen centric' and of genuine value to those accessing them, there will need to be a fundamental review of multiple processes underpinning them. Staff time required to achieve this change, as well as restructuring (potential redundancy) costs that may be required to release income savings or in response to changing skillsets required can be prohibitive and reduce the ability to make savings quickly. Therefore, particularly for smaller Councils, at the same time that there is pressure to realise savings without damaging services, there is reduced ability to make investments needed to do so.

Funding cuts may therefore directly harm services as there is not enough money (or understanding of the business case) to 'invest to save'.

The political interface can also be a strong factor as Councillors push for efficiencies in the wake of increasing public and governmental pressure.

Channel shift does not have to mean delivering an end to end service online. It could mean moving a face to face service to one conducted over the telephone.

Although channel shift is assumed to make savings it can in practice prove a poor investment if the wrong services are targeted. It will not achieve savings if it is not a key service currently or if the customer group is unsuitable.

It is also not necessarily about moving to a cheaper channel, but the right channel for the particular customer. Delivering services online is therefore not just about saving money - the public increasingly expects to access services quickly and conveniently, at times and in ways that suit them.

An ageing society and funding reductions: The national share of the global GPDP is due to halve during the coming 20 years while old age dependency ratio will rise from 28% to 50%. If public services, which consume 45% of GDP are not to similarly decline, wholescale changes to the business model are required.

<u>Social Aspects:</u> Increasingly society is becoming more fractured and complex, with erosion of the traditional nuclear family. There are many reasons for this such as the culturally diverse character of our contemporary society, higher divorce rates and increased geographical mobility. This can lead to parenting issues and children having educational or behavioural problems, thereby increasing pressure on public services.

<u>Digital by default – Government Agenda:</u> The government has recognised financial efficiencies to be gained by shifting to online and digital channels. At the end of 2012 it published its Digital Strategy. There have been various initiatives introduced before and after this which require technology including The Welfare Reform Act 2012 with the introduction of Universal Credit. Digital access is of fundamental importance in Universal Credit. The government expects the majority of applications to be made online. Many authorities have therefore begun the process of channel shift across all services.

<u>Greater Expectations:</u> iGeneration has grown up with instant access to a wealth of information. Future residents will demand to access public services via the same digital means that they access everything else in their lives.

The Office for National Statistics (ONS) figures published in February 2014, suggested that 44.3 million adults in the UK (87 per cent of the total), including 99 per cent of all 16 to 24-year-olds, had used the internet in Q4 2013, an increase of 1.2 million over the same quarter in 2012.

In as little as 9 years, it will be Generation Y that shape public service demand. The first generation to be completely immersed in digital life, the self-service information generation are conducting all aspects of their lives online and will expect public sector services to be compatible with their lifestyle. Self-service will provide the ability to access information, apply, report, pay or communicate 365 days 24/7 allowing the customer to choose what they want, when they want it. It will promote greater self-sufficiency and the long term aim of a change in behaviours and reduction in the reliance on the welfare state[2].

"Unless local government can remodel its services to be provided in this way it risks becoming irrelevant"[3].

It will also change the profile of the future employee/worker. There has been much research on the very different career expectations of the generation post baby boomers, and as they begin to dominate working environments they will demand, create, influence and effect change on our structures and working practices.

<u>These are therefore compelling drivers that are only likely to increase in intensity.</u>

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[2] Civica
[3] *Larry Rosen – Understanding the iGeneration*

> However, unlike commercial organisations that can make bold decisions to influence the demographic of their customer base, government has no such freedom.
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> It is important to note that a broad range of approaches is required including "assisted digital" for those for whom self-service is not an option. 6.7 million adults (13 per cent of the UK total), over half of whom were disabled, have never used the internet[1]. This sector can be made up of the people who are the most reliant of all on local government services. Therefore an equality impact assessment must be carried out when services are reconfigured.

2. The Effect of Digitalisation

The period since 2010 has seen enormous changes both in technology and the way in which it is used.

There are many examples of developments within public sector services provided in **Appendix 1.**

Central government has also made some progress in providing convenient, well-used and well regarded transactional digital services. Tax returns had an 89% online take-up of annual returns search and filing achieved in just 5 years at Companies House and record numbers of returns filed online for HMRC's self-assessment tax service[4]. The demand has been so strong in fact that new problems have been created, leading to warnings in relation to the website crashing as the deadline approaches.

> Is there anything about the profile of these service users that increases take up for digital access?
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> Success may be more achievable within a demographic that is required to develop digital skills to be in synergy with increasing professional requirements.

Not every step of every interaction with government can, or should, be entirely digitalised. For example, a practical driving test of course cannot be taken online. But even services that inherently involve face to face contact at some point can be redesigned - digitally - around the needs of users. For example, although 90% of practical driving tests are booked online, driving examiners have to fill in and file paper forms to certify achievement, thus adding cost and delay for users that a truly end-to-end digital service could remove. The Driving Standards Agency is now aiming to trial the introduction of mobile devices so that examiners do not have to fill in paper forms but can pass on test information to the next stages of the process swiftly and efficiently.

In our research on local authorities although we found many Councils developing digital strategies, most are at the very beginning of leveraging benefit from this. South East Employers surveyed local authorities in the South East of England on our behalf and of those who replied only 3 had a digital strategy which had only recently been implemented therefore there was no evidence of significant changes/savings as yet.

It is highly likely that the increasingly volatile, uncertain, complex and ambiguous environment of the 21st century will lead to dramatic shifts in service delivery in the future. However this may not

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[4] 80% recorded in 2011/12

always happen in a way that has been planned or accounted for, but as an eclectic complex reaction to external factors.

<u>In such an environment, the ability of Councils to set even 4 year strategies may become increasingly strained.</u>

There are however some signs that changes in channel shift are beginning to generate benefits for employers. Examples are outlined in **Appendix 1**.

3. What can local government learn and improve on?

We cannot underestimate the scale of the challenge ahead of local government in embedding (therefore <u>delivering on</u>) a digital strategy.

> One of the key things we can learn is that writing a strategy is only the beginning. It may be an area which lends itself more towards experimentation 'on the job' than the more common local government territory of creating an infrastructure (with defined, predictable outcomes) around the planning and management process.

Whilst many of us embrace technology in our private lives, barriers in the public sector are much more complex. It is tempting to condemn the public sector for the apparent resistance to embrace the digital age but if we do not understand what the logistical barriers are, strategic aspirations will remain undeliverable in practice.

We now use apps on our smart phones for virtually anything and everything so why is government so far behind?

> Public sector IT projects requiring business change **are six times more likely to experience cost overruns** and **20% more likely to be over schedule** than those in the private sector[1].

Is this evidence that the public sector is not commercial or poor at project management? Or is there something else going on?

The first crucial learning point is that 'digital' is not just about IT. It is about shortening the process chain, sharing data, and allowing the customer to use the tools that they are most comfortable with to interact with their service of need.

Digitalisation requires fundamental change to all the processes that are needed to drive and underpin technology.

Outsourcing technology without reviewing business processes masks inefficient and outdated working practices, freezing them at a moment in time. Ironically the practice of outsourcing to save costs, so much a feature of the last decade, may have locked government in, fixing processes, and blocking the changes needed to make to create further (and more dramatic)

savings. This prevents service design around customers in the way that fast growing companies such as Amazon have done to such powerful effect.

The following factors make it much more challenging for the public sector to redesign processes around our customer than in the private sector:

- multiple agencies with a range of organisational mandates and constituencies,
- longer timelines for permission and authority,
- onerous procurement framework commitments,
- ongoing 24/7 requirements to maintain business continuity,
- regular (sometimes unexpected) political administration changes[5],
- challenges engaging politicians, particularly in smaller rural authorities where the typical demographic profile is older and therefore less likely to trust, understand or embrace new technology,
- relentless scrutiny (in many cases by those who do not embrace or trust digital technology). This is a particular problem in uncharted territory. Innovation needs mistakes to be made as part and parcel of the creative process,
- data security concerns[6],
- current, long lasting and severe austerity drives[7],
- intangible outputs which do not carry market value.

Ironically the projects that deliver the most transformative change are nearly always the most expensive.

Local government may face an even bigger challenge than central government due to current diversity within the area, and current legacy systems[8]. Systems and data are often owned by different departments and functions, on a range of platforms, with different people accessing them.

"It doesn't make the task easier when the complexity of large scale digital projects requires specialised skills and expertise that come at a high price and are often in short supply. In consequence, many e-government efforts fall short on their promise[9]".

Government organisations often struggle to compete for talent because the private sector frequently can offer higher wages, a more entrepreneurial culture, and more clearly defined career paths.

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[5] This can be particularly challenging in shire authorities where the elections are in thirds as it means that there is at best an 8 month period outside purdah, the elections, and the forming of a new Executive

[6] Exacerbated by recent high profile breaches by commercial companies such as TalkTalk and by the recent ransomware attack on Lincolnshire.

[7] One study finds that "*Over emphasising cost-cutting targets instead of transformational targets the policy makers are thwarting potential of e-government as an engine of growth and driver of large scale change".*

[8] Silos, fragmentation and absence of a central owner can make it hard to connect internal plumbing to create a seamless experience for the end user

[9] CIO for Hampshire quoted in "Departed CIO reflects on technology journey at Hampshire County Council"

Central government has therefore actively targeted individuals from the private sector, offering fast track career opportunities[10].

Joining up at a local level through shared services may also help.

Surrey authorities are seeking to create a shared data centre transferring individual government workers within 12 different authorities to a new centre that will serve the whole county.

Fundamentally the biggest thing we can learn is the debate and movement within all organisations needs to move squarely out of any perceived IT based silo, and to stop focusing on inputs. Our attention must be on business change focused outcomes.

Typically in local government we manage and control our resources, yet managing demand is where savings can be made. It has been demonstrated repeatedly that prevention is cheaper than cure. Managing demand needs partnership working right across the public sector therefore digitalisation is not only a powerful tool to facilitate and drive devolution and shared services but may also be dependent upon our readiness to do this.

Finally there is culture. So much of the 'way we do things' is determined by our culture, with capacity to be a huge factor in influencing the type of people we attract and retain, translating all the way to the citizen experience. Culture has a palpable and powerful circular relationship with environment. It simultaneously drives and is influenced by it.

Historically local government has evolved and developed based on the classic Max Weber model of bureaucracy – restricting and controlling decision making throughout the process chain. This runs directly counter to innovation, and as with any large organisation, it leads to stability which makes it more difficult to make change.

If we use technology to change an organisation holistically in ways that transform – support process change, support cultural change and develop new skills we can leverage huge benefits.

<u>The scale of the task is huge.</u>

<u>This is not just about repainting, but rebuilding entire services.</u>

4. Opportunities to Reconfigure Services

Digital has the power to radically change how services are not only accessed but delivered.

According to a thought piece "The Future Town Hall" in 30 years' time Councils will have hubs in the Community, virtual Libraries and virtual Council Meetings.

Streetlife is an online community allowing people to share local information, request items or services in their local area. Often community and local government news is shared. Councils and Councillors increasingly operate in this space.

Digital platforms can offer the opportunity for "*massive redirection of resources to the front line*" such as doctors, nurses, teachers, social workers, filling potholes etc. Digital offers the

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[10] The government CIO and head of digital services spent most of their careers in the private sector.

implication that in the future public services could mean money directed to front line services rather than for broker-administrators with job descriptions from a long gone era[11].

"*There has been a step change in the way children's social care is planned and delivered in recent years and it is vital that teams have technology available to them that supports improved collaborative family working – both now and in the future.*[12]"

Technology represents an opportunity to identify families in need by sharing socio-economic data held across multiple agencies that could identify and therefore provide targeted support to families with problems early on[13].

The challenge is therefore not only about digital reconfiguring services but providing a platform to radically change how councils operate.

The public sector can look to the private sector for examples how to harness communities of interest or knowledge hubs. For example, the mobile phone company Giffgaff employs only 150 people. It has a thriving community of practice, making flat payments to customers who provide technical advice to others. Some now make their living out of this.

Some specific examples of where services have been reconfigured using Digital are outlined in **Appendix 2**.

Overall digital has yet to produce extensive definitive and tangible results. This may illustrate that we are at an early point in the journey so there is not a lot of evidence of change leading to formal crystallisation of service reconfigurations. Roles may change incrementally as the front line worker adapts to different interaction (and job requirements) on a gradual and evolving basis.

However, a move to digitalisation of services does enable employees to work from anywhere through mobile technology, cutting down on journeys to and from the office therefore increasing time available for customers.

For example, a care worker could go from spending up to 4 hours a day in the community to a full day's work, delivering substantial reductions in cost of providing care[14]. Although as very recent case law has illustrated, organisations must ensure savings are not recouped at the expense of the workers. Necessary travel time is still working time and must therefore be paid for[15].

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[11] *Where is the long term political vision for digital public services, Computer Weekly 7-13 October 2014*

[12] *Steve Crocker, deputy director for Children and Families at Hampshire CC in Hampshire to implement social caring software, local government news 16 October 2015*

[13] Evidenced by the Victoria Climbie case.

[14] Recent case law has highlighted however that for a mobile worker, time spent traveling to a first appointment is working time for rest purposes

[15] Following the very recent victory of a care worker in her legal action against MiHomecare.

A typical day for a social care worker
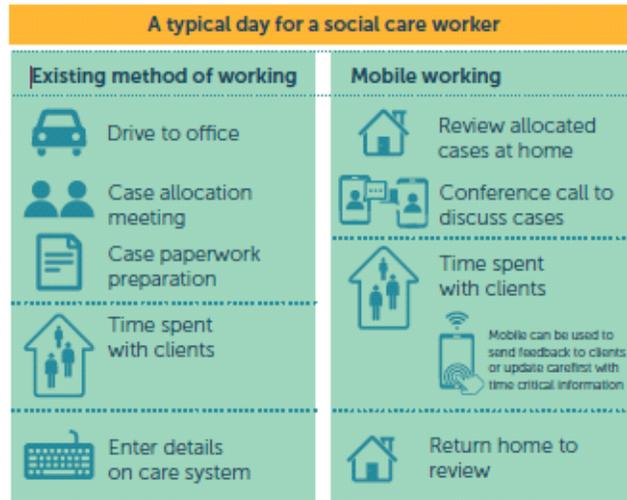
Ultimately we all need to remember that sharing data is not a back office 'nice to have'. It can save lives – evidenced by the Victoria Climbie case.

5. What is HR's role?

The workers we look for tomorrow will almost certainly be different.

What implications does this have on the employment relationship and for HR?

It is clear that digitalisation is not just a niche technology back office change but the opportunity to genuinely support, lead and influence fundamental review of our processes and how they are being conducted.

This is therefore about people and culture, placing the challenge squarely within the more proactive and OD orientated elements of HR's function.   It provides a genuine opportunity to work proactively alongside other business units to lead and shape on the kind of organisation we need to be so that we can recruit, attract and retain workers with a new way of thinking. This takes us beyond our more bureaucratic, stable roots.

HR's awareness of the context in which we operate to align the strategy with reality on the ground is essential so that we can shape the culture of the organisation going forward.

This is the role of 'conformist innovator[16]' reducing reliance on processes, focused on business outcomes. There is a genuine opportunity to move from reactive to strategic and to proactively influence decision makers with sound knowledge of strengths, weaknesses, opportunities and threats within and outside the organisation. Business and individual need must be balanced to achieve win/win solutions and build a vibrant culture.

In this new world our organisations need to compete for talent that is in high demand, calling for:

- Recognition of market influences (less prescriptive interpretations of processes e.g. job evaluation frameworks),

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[16] *Karen Legge, 1978*

- Building an environment that motivates and encourages talent to flourish,
- Agility,
- Appropriate reward and recognition,
- Talent management based on individualised career aspirations.

This is far from a one size fits all based on a centralist personnel framework, restricting and controlling with the aim of demonstrating compliance or reducing risk.

It is not easy when combined with increasingly onerous obligations requiring compliance to justify spending and pay variances (e.g. transparency obligations under the Localism Act and impending gender pay gap reporting requirements).

It is also not facilitated by austere pay settlements mandated by the politicians.

Reviewing processes, recruiting new talent, allowing freedom to fail, encouraging talent to flourish, upgrading systems and sharing services are all fundamental facilitators to the digital journey. But crucially, this must move beyond the strategy and translate to the front line worker.

> This is the premise of the 'Street Level Bureaucrat' – which is all about how strategy is implemented in practice. How does the front line worker behave? Is he or she encouraged, trained and supportive of the new technology?

The scale of the challenge and the change ahead can be underlined by some startling anachronisms. Many authorities do not currently allow employees on social networking sites through work equipment and require them to count the minutes that they are working. Yet modern work demands lead to expectations and requirements to be in touch during evenings, weekends and holidays.

If we are to harness the benefits of technology, we must stop fearing it and start embracing it. Excessive control is stifling innovation. This stops us attracting the type of employee we will need to lead us on this journey.

The most significant OD & HR implications have to be around building capacity, skills and knowledge in a digital world. Leaders within local government need to understand digital technology and build their understanding of the opportunities (and restrictions) posed by data.

We will need to up-skill employees to make them confident to meet new expectations and aware of how digital technology can support them to deliver efficient and effective public services.

We will need to find ways to attract, motivate and retain people with different skill bases to before, such as social media and app configuration. No longer must our business model focus on stabilising, protecting and reducing risk – now we must value collaboration, openness, change and innovation.

If we closely associate improvement with aggressive cost cutting through staff savings we can guarantee resistance to change! Our role as business partners is to facilitate healthy change management practices, such as Kotter's change management model.

Working with our colleagues and business leaders right across the organisation, we need to create a sense of urgency, and build a strong, guiding coalition.

We can win hearts and minds if we take a leadership position on 'why' we are doing this. But we do not have all the answers. We must engage our front line workers. We need their leadership on 'how' we can adapt the services they are familiar with - to serve our customers in the way that they want to be served today and tomorrow.

Unless people change, nothing changes.

Conclusion

The scale of the task must not be underestimated.

Our first big learning point is:

This is about re-building, not repainting

To re-build, we need to turn service delivery on its head and to reconfigure our services around the needs of our citizens, not from the perspective of the internal infrastructure we are used to working from.

In an organisation that is inherently about service delivery, people are increasingly our biggest asset, therefore our second big learning point is:

It is all about the people

Expertise on how best to engage our people and what processes or culture can encourage engagement can be best leveraged by HR working side by side with managers (the HR business partner model). HR must therefore be in a position to influence from the start. However HR can only do this if they themselves possess the necessary skills and understanding of the culture, the broader context, barriers and drivers.

Digital has huge potential to not only reconfigure services but to fundamentally change the nature of local government from monolithic, 'top down', paternalistic and hierarchical to collaborative, fluid, agile and engaging – able to quickly reconfigure its services in response to demand, and with the ability to work proactively with the wider public sector to reduce it.

The key for this is data management and reduction of silo working. We must therefore work proactively with our senior managers to genuinely 'create a sense of urgency', and 'build a guiding coalition' for change[17].

Due to the unprecedented scale of demand on our services and funding cuts, our future viability depends on it.
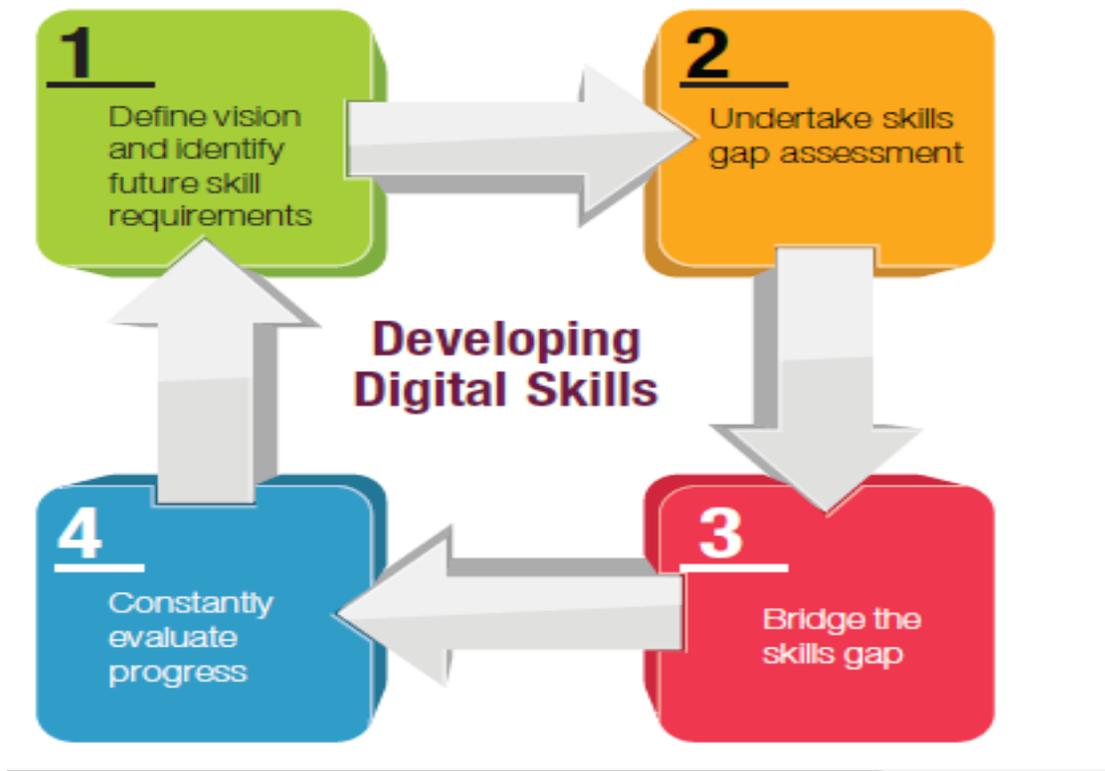
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[17] Kotter's change management model from 'Our Iceberg is Melting'

In summary, "*Digital is no longer an option but essential*"

Recommendations

The role of HR along with other stakeholders is both to build the business case for local government to embrace digitalisation and to facilitate the transformation this requires.

The models below outline the skills gap assessment that an organisation will need to carry out with the aim of having a skilled workforce that can fully engage with and contribute towards the future direction of the organisation.

1 Define vision and identify future skill requirements

2 Undertake skills gap assessment

Developing Digital Skills

4 Constantly evaluate progress
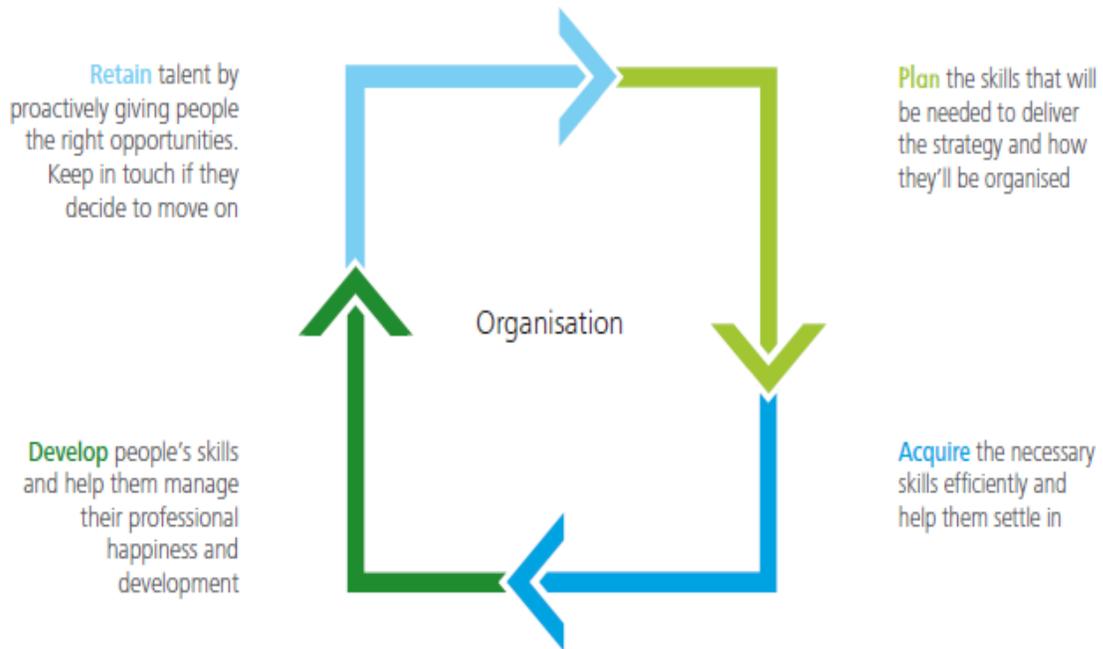
3 Bridge the skills gap

This model from the CIVICA report into the changing landscape for local government concludes that the four most important attributes are as follows:

The following model shows how every employee understands how digital tools will improve the way they work. This will increase the technical talent needed within the organisation such as mobile skills. This does not just contribute to design but the ability to develop apps to enage with our customers.

Finally this model summarises the need of planning and creating digital talent through current and newly recruited staff and the importance of retaining the talent that has been created.

Retain talent by proactively giving people the right opportunities. Keep in touch if they decide to move on

Plan the skills that will be needed to deliver the strategy and how they'll be organised

Organisation

Develop people's skills and help them manage their professional happiness and development

Acquire the necessary skills efficiently and help them settle in

APPENDIX 1

Examples of where technology has been used, the savings made and changes it has led to:

Tameside Metropolitan Borough Council - reported a saving of £172,000 per year with the first 28 transactions offered online and savings of £60,000 from closing their paper application process for free school meals.

Blackburn with Darwen Borough Council - was able to achieve a drop of 10,000 incoming calls per year, by providing a 'Winterpage' from October through to March to provide key links and information.

Hertfordshire County Council Connect Digitally – online free school meals and online school admissions. The award-winning Connect Digitally programme was a central/local government partnership funded by the Department for Education and led by Hertfordshire County Council. Its focus was the national digital transformation of two educational services – applications for secondary school admissions and free school meals – delivering significant customer benefits as well as providing evidence of cashable savings for both local authorities and central government departments. The programme realised initial returns on investment within 18 months of its inception in April 2009. Realised and projected savings totalled £76 million overall, against a £5.6 million investment.

Following the outstanding success of e-Admissions, the Department for Education requested a follow-on programme. The new programme's objectives were to continue to drive change for school admissions and increase online take-up, while also transforming the application process for free school meals. In addition, Connect Digitally led work on transforming online payments for educational services and cashless catering. Individual councils also achieved significant savings.

Tell Us Once (TUO) is a cross-government initiative developed by a partnership of local government, DWP, HMRC, DVLA and Passport Services to provide a service where people can inform government just once of a birth or a death. DWP leads the service which is delivered through face-to-face contact in councils, via telephone or online service and reduces the number of contacts an individual has to have with Government when reporting a change of circumstance (currently a birth or a death). The service is faster and cheaper than the traditional methods of telling government about such events. Other benefits include easier verification of birth/death registration details, and reductions in fraud, error and processing times leading to savings for councils, government and the citizen.

Latest estimates are that Tell Us Once is delivering total benefits of £22 million annually.
The service achieved a 98 per cent customer satisfaction rating in the Tell Us Once customer survey 2013, and councils are also benefiting from the efficiencies in back-office processing that the service enables.

The London Borough of Hillingdon became the first English council to move to Google Apps, saving £750,000 a year, and Norfolk County Council undertook the largest roll-out of Google Apps for Education, in terms of user numbers, deploying it to 148,000 registered users – school staff and children – in 2012. Wiltshire Council is using the cloud-based Microsoft Office 365 suite of apps and cloud-based Exchange Online email (a competing cloud-based email and document

service) across over 4,000 employees, and the London Borough of Lambeth has also moved to Microsoft Office 365.

The London Borough of Lewisham created LoveLewisham – a web application and set of mobile apps for reporting and managing a range of environmental issues, such as graffiti and fly-tipping. Established in 2004, LoveLewisham allows residents to report issues and monitor progress on a public web site (www.lovelewisham.org). LoveLewisham has been integrated into back-office systems, and is used by significant numbers of the front-line workforce. It receives and assigns reports for council services, contractors and other agencies, and makes it easy for residents, visitors and councillors to report environmental issues and reduce time and money spent on administering casework and complaints. The approach has been rooted in getting the front-line workforce to embrace mobile technology and report issues beyond their job role. This has required a cultural shift and an emphasis on technology as a transformational tool. It has also required operational services taking ownership of the technology and app specification.

Spelthorne Borough Council identified the need to deliver a mobile app to meet customer expectations, encourage channel shift and improve service delivery. The app allows the council to provide customers with access to services, news, transactional tasks and updates via their smart phones, wherever and whenever it is convenient.

The council has benefited from the app which has resulted in:
- an 18 per cent increase in internet payments compared with 2012/13 for Council Tax
- a 42 per cent increase in internet payments compared with 2012/13 on sundry debt, which includes garden waste, and a 3 per cent increase in sundry debt recovery in the same period
- a 10 per cent reduction to calls into customer services since the introduction of the app. Customer contact savings have been delivered in the region of £33,000 for 2013/14 with a reduction of 1.4 FTEs in the call centre for 2014/15. It is expected that these savings will continue. During the flood emergency in February 2014, the volume of work the app absorbed would have cost approximately £10,800 for three extra staff to handle the additional calls during the month.

A significant number of councils have implemented online 'platforms' – integrated websites, transactional forms, and customer accounts that link to back-office systems to allow customers to complete requests, notifications and transactions. SOCITM Insight measures the progress of councils nationally each year in its Better Connected good practice survey and report, currently in its 15th year. Councils with relatively developed online or digital platforms include the following:

The London Borough of Hammersmith and Fulham developed an integrated, secure, online customer self-service portal (the Agilisys Digital Platform), with a single sign-on for five high-usage services: council tax, benefits, resident and business permits, visitor permits and environmental reporting. An additional eight council services, and mobile and interactive voice recognition access, were included in the second phase. The portal has achieved £1.15 million net savings per annum, with 70 per cent of parking permit renewals completed online and 70 per cent of all households registered.

The London Borough of Barking and Dagenham has achieved a 100 per cent digital shift for benefit claims. Initially claims took 42 days to process but now only take 12 days, with 70 per cent of claims resolved within a day. There has been a 75 per cent reduction in avoidable

contact at the contact centre, and net cashable savings of £617,000 per annum through implementing a digital platform.

The London Borough of Harrow, whose customer services team handles close to two million enquiries each year, resolves 92 per cent at the first point of contact. Their MyHarrow account provides secure transactions over the web to both residents and businesses, with a scalable authentication that means the user only has to provide proof of identity appropriate for the transaction they want to complete. Since the system is designed for mobile devices, with forms included, 30 per cent of transactions are now carried out in this way. Meanwhile Harrow's decision to fully integrate its customer relationship management system with a web chat 'pop up' to support customers having difficulty navigating the system or struggling with complex forms has helped the council to save £1.55 million in contact costs over four years.

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Telford and Wrekin Council, one of the councils in the UK with the fastest growing population, has introduced 'Everyday', a cross-mobile application from Bronze Labs. The app allows residents to report problems in their streets directly to the council. This information is passed seamlessly to the council's systems and linked to the customers' accounts. The app works offline (critical in rural Shropshire) and was set up in just fifteen weeks in order to introduce a new 'channel' for the winter.

Through organic growth only and without direct advertising, 2,311 reports of street scene and antisocial behaviour were received in the first quarter of 2013/14, saving £5,000 in contact costs.

The London Borough of Croydon – Family Space
The London Borough of Croydon has developed a 'family-focused' website, Family Space, for parents and professionals, which enables easier access to a range of different sources of information about children's services locally, for example details of schools and child-minding.

By managing demand that would otherwise have to be met on the phone (an estimated £32 more expensive per inquiry) the council saved £136,000 in handling customer enquiries in the first seven months of the website's operation. Following the same model and based on increased uptake, this means that a £450,000 saving was made in the 2013/14 financial year.

OneVu of customer data to bring 'savings in six figures'
A novel co-development by IEG4 and King's Lynn & West Norfolk Council has developed a new digital service that not only delivers savings but also improves the citizen's user experience.

Easily integrated into back office systems OneVu takes pressure off the council's centre by giving customers access to data that the council holds on them and letting them track service request progress across all big front-facing services. Think online parcel tracking for local government!

Focusing on what the citizen wants - not just on what the service can make available to them - OneVu also sends timely automated messages nudging the citizen to provide required evidence or complete the next step in an application.

King's Lynn & West Norfolk anticipates savings from the system to reach 'six figures' a year.

APPENDIX 2

Examples of Reconfiguration of Services using Digital

More than 130 countries have online services and for example Estonia's 1.3m residents use electronic ID cards to vote, pay taxes and access more than 160 services online including unemployment benefits.

The UK's Gov.uk site is described as one-stop information hub for all government departments giving greater access for rural populations, improving quality of life for those with physical infirmities and offering better options for those whose work and lifestyle demands don't conform to typical daytime office hours. This way of delivering services direct to the user in a way in which they can readily access where and when they want improves significantly the customer experience. (*Public Sector Digitalisation trillion dollar challenge report*)

An app has been developed by Newcastle City Council in conjunction with O2 to support children with special needs travel to school independently. Rather than relying on expensive taxis and other means of transport the app allows children to walk to school independently using the app which provides visual millstones and voice instructions en-route. The individual can then be monitored and tracked to ensure that they arrive at school safely. This type of service provides a number of benefits to the Council in terms of savings but more importantly allows the individual to benefit from greater independence. This is how transformational Digital can be.

Kent County Council assistive technology has been placed in people homes to monitor health variances. This data can then be reviewed centrally by Health Care professionals who can attend when it is necessary and intervene to provide the care needed when the data shows that the individual requires attention. Digital technologies can support people to live safer, healthier and more fulfilling lives.

The development of social networks such as Yecco which connects the person being cared for with their families and professionals is another example of how digital can really provide the opportunity to reconfigure services.

With the development of the Holly Guard app there is potential for changes to how police services are provided. This particular app is designed to protect lone women on their walk home, or in otherwise vulnerable situations. By sending data to mark the geographic location when a woman begins her walk home, for example, police can be alerted when she either does not arrive safely or when she activates the alarm. Technology such as this could have a real impact on the requirement for front line policing with less requirement to leave it to chance that a 'bobby on the beat' will witness a crime, and more requirement to monitor systems, sending out police reinforcement when it is established as necessary.

Giffgaff, a mobile phone company have developed an extremely successful customer community. They are a small organisation with in the region of 150 employees and rely on their customer community to support other customers and provide solutions to enquiries. The public sector can and should look to replicate this model where residents become involved in supporting and running the organisation. Digital provides the platform for this to be achieved with online forums where ideas can be shared and a stronger relationship can be built between Council and resident. This is where insight can be gained from the customer and then for the

customer to support others in the community. There is huge potential to have much greater engagement with residents and communities, and Digital can provide this.

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