

CITIZEN FIRST, DIGITAL FIRST – OUTLINE BUSINESS CASE

To: **General Purposes Committee**

Meeting Date: **26th July 2016**

From: **Corporate Director: Customer Service and Transformation**

Electoral division(s): **All**

Forward Plan ref: **2016/017** *Key decision:* **Yes**

Purpose: **This report sets out the Outline Business Case for investment in technology to enable Cambridgeshire County Council to deliver its refreshed Customer Services' strategy.**

Recommendation: **The Committee is recommended to:**

- a) Agree the approach set out in the Outline Business Case;**
- b) Approve the investment of £1,995.2K revenue from the Transformation Fund to enable the approach set out in the Outline Business Case; and**
- c) Agree that tranches of finance to support each element of the Outline Business Case will only be drawn down following agreement with the Section 151 Officer in consultation with the Chairman of General Purposes Committee.**

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1. BACKGROUND

- 1.1 One of the themes identified as part of the Transformation Programme for Cambridgeshire County Council relates to Citizen First, Digital First: our strategy for engaging with the citizens of Cambridgeshire.
- 1.2 The Executive Summary of the Outline Business Case (**Appendix One**) and Outline Business Case (**Appendix Two**) provide an overview of the funding that we consider is required for Phase One of this strategy so that we can invest in the technology that will deliver this approach.
- 1.3 This work builds on informal discussions with GPC members at a workshop on 19 May 2016 where we highlighted that significant improvements could be made to our website; to system integration to take out multiple re-keying from one system into another; and in other areas through investment in a suite of technologies that will improve our efficiency such as a more robust e-payments system.
- 1.4 The principle underpinning the Citizen First, Digital First strategy is that we will put Cambridgeshire's citizens at the heart of everything that we do.
- 1.5 Applying this principle will mean that :
 - Residents will only record their details once, avoiding form filling by different departments each time they contact us.
 - Residents will have their concerns dealt with at the earliest point in the system.
 - Residents will be given clear timescales in which their issues will be dealt with, and these will be monitored and adhered to avoiding unnecessary chasing and dissatisfaction.
 - Digitally disadvantaged residents will not be disadvantaged by this approach as alternative channels and support will be available.
 - Online systems will be functionally superior to other methods of engagement.
- 1.6 This Outline Business Case provides an overview of the funding that we consider is required for phase one of this strategy so that we can invest in the technology that will deliver this approach.

2. MAIN ISSUES

- 2.1 The analysis that has been completed to support the Outline Business Case is based on methodologies that have been tested and implemented in other local authorities. This methodology has then been applied to Cambridgeshire County Council data. The work on the Outline Business Case indicates that taking our proposed approach could generate annual savings of between £0.9 and £1.6 million per year, with a five-year saving of between £3.7 and £6.6 million.
- 2.2 The variance between the lower and higher annual savings figures is because different levels of take up have been applied within the model ranging from the more pessimistic to the more optimistic. For example, we have modelled the move within the Council to an improved on-line payments system from a 56 per cent take up at the lower end to a take up of 90 per cent at the upper end. Similarly we have applied different take up rates to citizen's use of on-

line transactions and opportunities for on-line self-assessments. Throughout this analysis we have built in an expectation of a much lower take up rate whenever we are dealing with a more vulnerable client group.

- 2.3 The lower / higher annual savings will also be affected by the tapering of take up year on year as we understand that it will take time for these changes to take effect. All assumptions about proportions of take up within different demographic groups are based on national research.
- 2.4 We are currently in the process of carrying out an appraisal of these indicative savings with colleagues in key services so we can get into more detail about exactly which areas of service and which budgets this work would have an impact on. This 'reality check' will feed into the development of both detailed Business Cases and implementation plans for each element of this programme which together will identify where, when and how savings will be able to be realised.
- 2.5 All this reveals this is a complex programme of work. However we have sufficient confidence in the analysis that we have done to support the Outline Business Case to ask General Purposes Committee to commit to an investment of £1,995,200 over five years. Further detail underpinning the Outline Business Case is available for Members if required. Given the complexity we suggest that we draw down this investment in tranches that will be triggered by more detailed work that needs to be signed off by the Section 151 Officer in consultation with the Chairman of GPC.
- 2.6 The investment of £1,995,200 comprises the revenue costs of the project and the revenue cost of the capital that we require for the project – the majority of the required investment will be capital.
- 2.7 Making this investment will enable us to get the technology in place as this is required for us to be able to drive out these savings. Through this work we expect to be able to reduce the base revenue costs of the organisation by between £1.8 and £4.6 million over the next five years – the lower and upper savings estimates minus the investment. Based on current analysis this gives a return on investment of between £1.88 and £3.32 for every £1.00 that we invest from the Transformation Fund. We will be in a stronger position to confirm the return on investment as this project develops. We have taken a prudent approach at this early stage; however, we recognise that as we start to roll out these technologies we will have a better understanding of other areas where they can be applied across the Council.
- 2.8 We are intending to have a workshop with colleagues from Peterborough City Council as they are further ahead with this type of work through their Customer Services' programme so we want to learn from their experience and benefit from their expertise.
- 2.9 We will report back to General Purposes Committee on a regular basis keeping the committee informed of progress both in implementing the required technology and delivering the associated savings as well as highlighting any issues that we may be facing.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

The following bullet points set out details of implications identified by officers:

- Ensuring that our website is even more effective in enabling people to engage with us and our partners to find information and advice will help people to lead healthy and independent lives, ensuring that we meet our statutory requirements as set out in the Care Act and supporting the demand management savings targets that are already within the Council's Business Plan.
- This approach will free up capacity in our Contact Centre leading to improved performance and enabling our staff there to focus on supporting people to live healthy and independent lives rather than working as a 'gateway' for our statutory services.

3.3 Supporting and protecting vulnerable people

The following bullet points set out details of implications identified by officers:

- Developing transactional 'end-to-end' processes will enable our specialist staff to focus their efforts on supporting and protecting vulnerable people.
- This approach will also free up capacity in our Contact Centre to enable our staff to ensure that vulnerable people receive the responses that they need the first time they get in touch with us.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The report above sets out details of significant implications in Paragraphs 2.1, 2.2 and 2.3.

4.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

There are no significant implications within this category.

4.5 Localism and Local Member Involvement

There are no significant implications within this category.

4.6 Public Health Implications

See paragraphs 3.2 and 3.3.

Source Documents	Location
Citizen First, Digital First Outline Business Case – Phase One – Technical Infrastructure	Room 106, Shire Hall, Cambridge

Transformation Fund Bid: Executive Summary of the Outline Business Case

Citizen First Digital First – our strategy for engaging the citizens of Cambridgeshire

Summary of funding required and anticipated savings

Request to Transformation Fund	£1,995,200 over five years
Reduction to base Revenue costs for the County Council	£1.8 and £4.6 million over the next five years

Summary of Return on Investment

Taking capital and revenue costs together the Outline Business Case represents **a Return of Investment of between £1.88 and £3.32** for every £1.00 that we invest, with the investment predicted to break even in Year 3.

Making this capital investment, supported by ongoing revenue costs, will enable us to reduce the base revenue costs of the organisation by between £1.7 and £4.6 million over the five year period. The cumulative savings and costs are set out in the following table.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Cumulative Savings						
Saving	£386.9 to £609.6	£1,134.5 to £1,892.5	£2,000.5 to £3,445.7	£2,876.8 to £5,036.0	£3,753.1 to £6,626.3	£3,753.1 to £6,626.3
Cumulative Costs						
Total Costs	£135.2	£446.5	£862.1	£1,379.2	£1,995.2	£1,995.2
Net Saving	£573.3 to £1,158.9	£1,542.5 to £3,179.8	£2,550 to £5,354.5	£3,456.0 to £7,427.5	£4,263.1 to £9,401.7	£1,757.9 to £4,631.1

Annual and Cumulative Costs and Savings

Summary of Project

The technology that we require to deliver these savings falls into three broad categories.

- **Ensuring our digital presence is engaging and easy to use** – digital services that are straightforward and convenient to all those who can use them whilst not excluding those who can't. Investment in a new Content Management System to manage information on our website and look at how we engage with people through our digital services.
- **Integrating our systems** – Investment in technology that will directly integrate our various systems to improve the customer experience and drive costs by reducing the inefficiencies of our current fragmented approach.
- **Enabling the Citizen First, Digital First approach** – investment in a number of tools that will support the delivery of our services in an integrated, end-to-end digital manner.

The financial benefits that will accrue from this investment will come from three distinct areas:

- **Transactional Costs** – moving our transactional processes online will mean we are able to make savings both within the Contact Centre and within the services that ultimately fulfil the transaction.
- **Online Self-Assessments** – introducing online self-assessments for social care will enable us to manage demand more effectively when people first contact us, as well as improving the efficiency with which we are able to verify the information that people provide if, following a self-assessment, they need some support from us.
- **Online Payments** – introducing an organisation-wide online payments system will reduce the costs of processing financial transactions which currently fall within both the LGSS Transactions team and the various services, such as the Older People's Service.

Citizen First, Digital First
Outline Business Case
Phase One – Technical Infrastructure

Citizen First, Digital First

Outline Business Case

One of the themes identified as part of the Transformation Programme for Cambridgeshire County Council relates to Citizen First, Digital First: our strategy for engaging with the citizens of Cambridgeshire.

The principle underpinning the Citizen First, Digital First strategy is that we will put Cambridgeshire's citizens at the heart of everything that we do.

We will use this principle to transform the organisation '*from the outside in*' by:

- Designing how we operate from the perspectives of our citizens and involving them in the design process; and
- Using technology to support this approach.

This Outline Business Case provides an overview of the funding that we consider is required for Phase One of this strategy so that we can invest in the technology that will enable us to deliver this proposed approach. We are investing in this technology to ensure we are operating as efficiently as possible and to deliver some tangible improvements for our citizens. These technology developments are summarised in the diagram below.

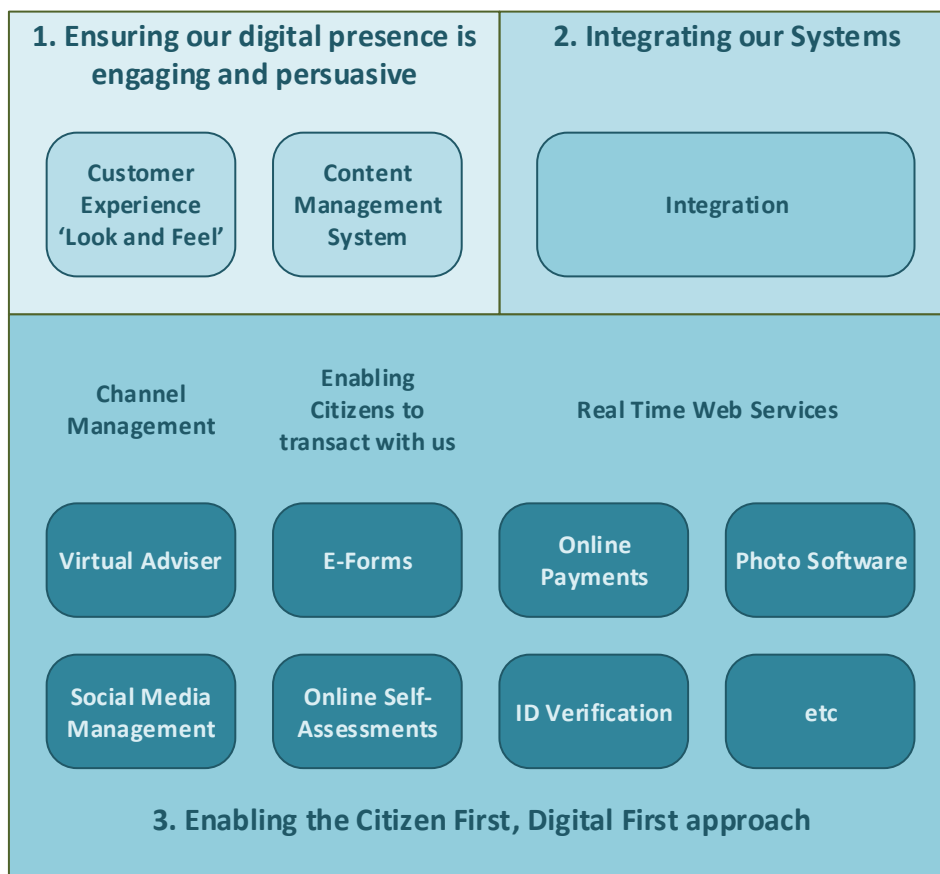


Diagram One: Technology requirements

Citizen First, Digital First

Outline Business Case

The technology that we require falls into three broad categories:

1. **Ensuring our digital presence is engaging and easy to use** – if we want to become a truly digital organisation then we need to ensure that people will want to engage with us through our digital channels whether they want to complete a transaction with us, or are looking for information and advice. Equally, our digital channels will be the way in which we communicate and engage with the people of Cambridgeshire.

We therefore need to ensure that our digital services¹ are so straightforward and convenient that all those who can use them will choose to do so, whilst those who can't are not excluded. We will do this by investing in a new Content Management System to manage the information on our website as well as looking at how we engage with people through our digital services.

2. **Integrating our systems** - To our customers we may appear to be an organisation that is embracing the opportunities that digital technologies present – for instance when they complete a form online to transact with us – but behind the scenes there is still a reliance on multiple systems leading to manual re-keying of information, hand-offs between services and duplication throughout the system.

We therefore want to invest in technology that will enable us to directly integrate our various systems, to both improve the customer experience of transacting with us, by providing quicker and clearer processes and enabling customers to track progress themselves, but also driving costs out from across the organisation by reducing the inefficiencies of our current fragmented approach.

3. **Enabling the Citizen First, Digital First approach** – We have identified a number of tools that will support the delivery of our services in an integrated, end-to-end digital manner. These tools are grouped into three categories:
 - a. **Enabling citizens to transact with us** – these are those tools such as e-forms that enable our citizens to carry out a service transaction which integrates with our existing systems;
 - b. **Real Time Web Services** – these are tools which integrate into e-forms to enable specific tasks – such as completing a payment or verifying people's personal details – to be completed seamlessly as part of the online process.

¹ Throughout this Outline Business Case we use 'digital' to refer to our online presence, whether this be through our website or through other channels such as our Twitter and Facebook feeds, or even any Apps that we may develop to support particular groups of the population.

Citizen First, Digital First Outline Business Case

- c. **Channel Management** – these are tools which will help us to encourage people to contact us through the most appropriate channels.

Previously we would have considered these requirements on a service-by-service or transaction-by-transaction basis and procured a solution accordingly sometimes procuring multiple systems with the same functionality. We are now planning on implementing tools that we will be able to use and re-use across the whole organisation for all of our transactions. Taking this approach will take out these duplications and give our transactional services a consistent look and feel for our customers.

Benefits

The analysis that has been completed to support this Outline Business Case indicates that taking this approach could generate annual savings of between £0.9 and £1.6 million per year, with a five-year saving of between £3.7 and £6.6 million.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Annual Savings	£386.9 to £609.6	£747.6 to £1,282.9	£866.0 to £1,553.2	£876.3 to £1,590.3	£876.3 to £1,590.3	£3,753.1 to £6,626.3
Cumulative Savings	£386.9 to £609.6	£1,134.5 to £1,892.5	£2,000.5 to £3,445.7	£2,876.8 to £5,036.0	£3,753.1 to £6,626.3	

Table One: Annual and Cumulative Savings

Our analysis has indicated that financial benefits will accrue from three distinct areas:

- **Transactional Costs** – moving our transactional processes online will mean we are able to make savings both within the Contact Centre, which acts as a first point of contact and assisted digital channel for a number of transactions, and within the services that ultimately fulfil the transaction.
- **Online Self-Assessments** – introducing online self-assessments for social care will enable us to manage demand more effectively when people first contact us as well as improving the efficiency with which we are able to verify the information that people provide if, following a self-assessment, they need some support from us.
- **Online Payments** – introducing an organisation-wide online payments system will reduce the costs of processing financial transactions which currently fall within both the LGSS Transaction teams and the various services, such as the Older People's Service.

Citizen First, Digital First Outline Business Case

The possible savings identified to date associated with each of these areas are set out in the following table.

	Savings (£,000's)					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	
Transactions	£280.3 to £438.3	£504.5 to £788.9	£560.6 to £876.5	£560.6 to £876.5	£560.6 to £876.5	£2,466.6 to £3,856.7
Self-Assessments	-	£51.3 to £185.7	£92.3 to £334.2	£102.6 to £371.3	£102.6 to £371.3	£348.8 to £1,262.5
Online Payments	£106.6 to £171.3	£191.8 to £308.3	£213.1 to £342.5	£213.1 to £342.5	£213.1 to £342.5	£937.7 to £1,507.1
Total	£386.9 to £609.6	£747.6 to 1,282.9	£866.0 to £1,553.2	£876.3 to £1,590.3	£876.3 to £1,590.3	£3,753.1 to £6,626.3

Table Two: Indicative Five Year Savings

It should be noted that there are further possible savings that could be made as a result of taking this approach. For example:

- Self-Assessments could be introduced in a number of areas of children's services – including for special educational needs and family work assessments;
- Extending the self-assessment approach to enable service users to have online access to their own account so they can continue to amend their records – be in dialogue with the social work team, confirm consent, approve changes and similar remotely and at whatever time is convenient – could potentially save a large number of social work visits;
- The online payments savings relate primarily to savings that can be achieved in the teams managing financial transactions. The introduction of the system will also lead to a reduction in service-based front-end costs such as time spent raising invoices or follow-up costs such as assisting in debt recovery process.

Further work on identifying and quantifying the savings outlined in this business case will continue to be undertaken as detailed Business Cases are developed and as systems are implemented.

Our proposed approach has a number of further benefits including:

- Development of truly digital 'end-to-end' processes designed around our citizens that are cost efficient and time efficient;
- Providing our citizens with a more coherent view of their transactions including the ability to track progress with clear timescales for fulfilment;
- An opportunity to work with partners to create a single customer view across public sector organisations to support our work in prevention, enabling us to offer help early to people who need it reducing the pressure on high cost services;

Citizen First, Digital First Outline Business Case

- Development of a digital platform that links up all of our key IT systems providing us with a view of where and how citizens are engaging with us across the council and enabling us to bring this data together to inform the wider transformation of our services;
- Removal of duplication and double-keying and identification of service improvements that will enable us to take out costs within the organisation whilst improving our services;
- Improved insight into how our citizens interact with us that will inform the development of policy, strategy and service re-design;
- Ensuring that our website is even more effective in enabling people to engage with us and our partners to find information and advice, to receive direct communications around key services and to improve our transactional services.

Costs

To release these savings we need to invest £1,995 Revenue over the next five years.

(£,000's)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Staff						
Revenue	35	55	55	55	55	255
Total Staff	35	55	55	55	55	255
Non-Staff						
Revenue	60	5	5	5	5	80
Revenue – Annual Financing Costs	40	251	355	457	556	1,660
Total Non-Staff	100	256	360	462	561	1,740
Total Costs						
Staff	35	55	55	55	55	255
Non-Staff	100	256	360	462	561	1,740
Total Costs	135	311	415	517	616	1,995

Table Three: Total Costs

Citizen First, Digital First Outline Business Case

The non-staff costs can be broken down as follows.

(£,000's)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
IT / Digital						
Revenue	-40	5	5	5	5	-20
Total IT / Digital	-40	5	5	5	5	-20
Other						
Revenue	100	-	-	-	-	100
Total Other	100	-	-	-	-	100
Total Non-Staff						
Total Non-Staff	60	5	5	5	5	80

Table Four: Total Non-Staff Costs – Capital and Revenue

Return on Investment

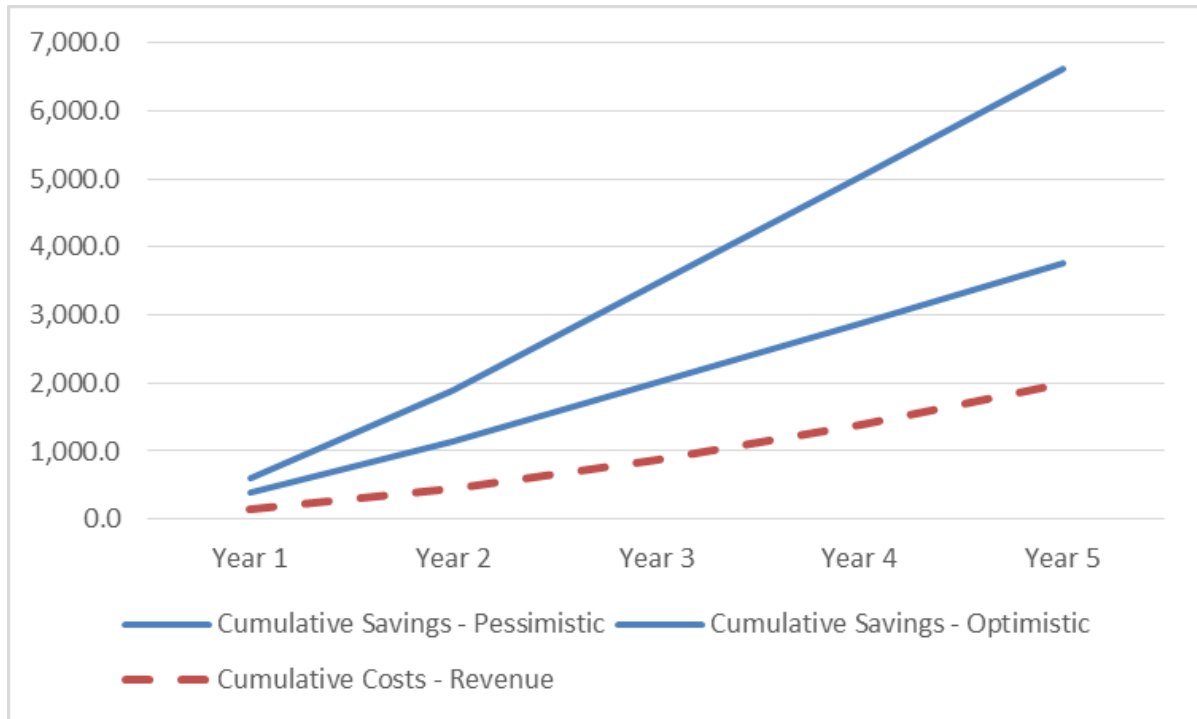
Taking capital and revenue costs together this Outline Business Case represents a Return of Investment of between £1.88 and £3.32 for every £1.00 that we invest, with the investment predicted to break even in Year One.

Making this capital investment, supported by ongoing revenue costs, will enable us to reduce the base revenue costs of the organisation by between £1.8 and £4.6 million over the five year period. The cumulative savings and costs are set out in the following table.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Cumulative Savings						
Saving	£386.9 to £609.6	£1,134.5 to £1,892.5	£2,000.5 to £3,445.7	£2,876.8 to £5,036.0	£3,753.1 to £6,626.3	£3,753.1 to £6,626.3
Cumulative Costs						
Total Costs	£135.2	£446.5	£862.1	£1,379.2	£1,995.2	£1,995.2
Net Saving	£251.7 to £474.4	£688.0 to £1,446.0	£1,138.4 to £2,583.6	£1,497.6 to £3,656.8	£1,757.9 to £4,631.1	£1,757.9 to £4,631.1

Table Five: Annual and Cumulative Costs and Savings

Citizen First, Digital First Outline Business Case



Graph One: Return on Investment

The following diagram shows where savings can be made across the organisation by investing this sum through the Transformation Programme.

	Funding	Savings by Service					
		1. Adult Services	2. Children's Services	3. Environment, Transport and Economy	4. LGSS & CCC	5. Public Health	Total Savings
Citizen First, Digital First (Phase One)	£1,995K Revenue	£577 to £899K	£423 to £598K	£1,201 to £2,014K	£263 to £343K	£2 to £4K	£2,466 to £3,858K
		£349 to £1,263K					£349 to £1,263K
		£804 to £1,293K	£72 to £115K	£33 to £53K	£17 to £27K	£12 to £19K	£938 to £1,507K
	Total Savings	£1,730 to £3,455K	£495 to £713K	£1,234 to £2,067K	£280 to £370K	£14 to £23K	£3,753 to £6,628K

Key

Transactional Costs

Online Self-Assessments

Online Payments

Diagram Two: Savings by Service

It should be noted that the apportionment of savings includes all of the costs to deliver that service and it not just focussed on each Directorate. For example for Adults Services, as well as including the savings that can be achieved in in the relevant CFA Directorates, the figures also include possible savings in the Contact Centre and the LGSS Financial Transactions team who form an integral part of the delivery of the relevant services.

Citizen First, Digital First

Outline Business Case

As we develop the detailed Business Cases and start the implementation of the systems, we will further test these savings and apportion them to the most appropriate budgets.

Approval and 'Call-off' Arrangements

Through this Outline Business Case we are asking General Purposes Committee for approval for an investment of £1,995.2K revenue from the Transformation Fund to enable us to take this approach.

For each of the elements included within this funding bid, we will complete a detailed Business Case which we will share with the Chairman of the General Purposes Committee and the Section 151 Officer to enable them to provide assurance to the committee on the rigour of our approach. Tranches of finance to support each element will only be drawn down when the Section 151 Officer, in consultation with the Chairman, are content that the business case is robust.

We will report back to General Purposes Committee on a regular basis keeping the committee informed of progress both in implementing the required technology and delivering the associated savings as well as highlighting any issues that we may be facing.