

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 6 FEBRUARY 2018

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| Title of Report | AUTHORITY FOR ADDITIONAL SPEND TO COMPLETE THE DIGITAL TRANSFORMATION PROJECT |
| Key Decision | Financial – Yes Community - Yes |
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| Purpose of Report | Provide members with details of the Council’s Digital Transformation Programme, additional cost requirements to complete Phase One and costs required for Phase Two. The completion of Phase One and Phase Two, will see the completion of digitally online Council services. |
| Reason for Decision | <ol style="list-style-type: none"> 1. To ensure Members are aware of the additional cost to complete Phase One and the cost to complete Phase Two. 2. The additional costs takes the contract value above the £100,000 threshold which requires Cabinet approval. 3. Without the additional investment to complete Phase One, this would jeopardise the scheduled “go live” date of 19 April 2018, as well as non-completion of online services for key areas, where efficiency savings are to be made. 4. Without the additional investment to complete Phase One, this would cause a delay in the launch of the new internet web site, as both projects are intrinsically linked to provide an improved customer experience, which is part of the customer first strategy. 5. To authorise the procurement of Firmstep to deliver Phase Two of the Digital Transformation Programme. |
| Council Priorities | Value for Money Spend Our Money Wisely Building Confidence in Coalville |

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| Implications: | |
| Financial/Staff | As detailed in the report |
| Link to relevant CAT | No direct link |
| Risk Management | The original project plan includes a risk management framework, which is being reviewed on a monthly basis as part of the project management process. Risks are being updated and added to as required and any issues are raised with the Director of Housing. |
| Equalities Impact Screening | N/A |
| Human Rights | N/A |
| Transformational Government | This relates to the new ways in which Councils are being asked to deliver their services. |
| Comments of Head of Paid Service | The report is satisfactory. |
| Comments of Deputy Section 151 Officer | The report is satisfactory. |
| Comments of Monitoring Officer | The report is satisfactory. |
| Consultees | None |
| Background Papers | NOVEMBER 2017 CABINET - DIGITAL TRANSFORMATION PROGRAMME |
| Recommendations | <p>THAT CABINET:</p> <ol style="list-style-type: none"> 1. APPROVES THE ADDITIONAL ALLOCATED FUNDS OF £48,000 FROM RESERVES AND THE VARIATION OF THE DELIVERY CONTRACT WITH FIRMSTEP TO INCLUDE THE ITEMS SET OUT IN PARAGRAPH 2.3 TO ENSURE PHASE ONE OF THE PROGRAMME IS DELIVERED 2. APPROVES THE ALLOCATED FUNDS TOTALLING BETWEEN £155,000 - £180,000 FOR PHASE TWO OF THE PROGRAMME TO BE DELIVERED, AND THAT THIS EXPENDITURE BE ATTRIBUTED TO THE HOUSING REVENUE ACCOUNT (51.5% OF COST) AND GENERAL FUND RESERVES (48.5% OF COST) 3. THAT CABINET DELEGATES AUTHORITY TO THE DIRECTOR OF HOUSING IN CONSULTATION WITH THE CORPORATE PORTFOLIO HOLDER TO |

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| | AWARD A CONTRACT TO FIRMSTEP THROUGH THE G-CLOUD FRAMEWORK FOR THE DELIVERY OF PHASE TWO. |
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| | 4. NOTES THAT FURTHER UPDATES WILL BE BROUGHT TO CABINET AS THE PROGRAMME PROGRESSES. |
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1. BACKGROUND

- 1.1 The use of digital services is now an entrenched way of everyday life. From requesting doctors' appointments, undertaking bank transactions, buying goods and services and booking holidays, the process offers wider choice, customer convenience, corporate flexibility and significantly reduced costs via automated processes and minimal manual interventions. Until fairly recently Local Government was far behind most industries and at this point NWLDC is significantly behind the bulk of local authorities.
- 1.2 The aims of the digital transformation programme are to completely transform the way we interact with customers by modernising our approach to customer service delivery, improve and quicken processes, and generate efficiency savings that can be reinvested into frontline services.
- 1.3 This project is part of a wider Customer Services strategy, to provide Online and Digital services to our customers 24/7, and to reduce the footfall into the Council office, by providing the ability for customers to make enquires and pay for services using our corporate website efficiently and effectively. Integrating our systems and providing a one-stop shop further provides efficiency and cost savings, meaning that staff can be redeployed to dealing with more vulnerable customers, whilst improving services to all customers through faster response times. Staff will be able to complete forms online, as opposed to using paper copies when on site. This reduces printing costs and allows for a fully integrated forms process initially across our Environmental and Waste Services.
- 1.4 A report was presented to Cabinet on 14 November 2017, which provided details of the project, resources, timescales and costs. The go live date for Phase One is 19 April 2018. Firmstep is the supplier we are working with on Phase One and the system is based on their platform.
- 1.5 Further to the management re-structure recently approved by full council, management of this project has moved within the organisation. Arrangements around project governance, oversight and delivery are being reviewed to ensure that the digital transformation project delivers the stated benefits within the proposed budget and on time.

2 CONTRACTING AND FINANCIAL IMPLICATIONS

Phase One

- 2.1 Cabinet approved the costs for Phase One of the implementation for a contract value of £97,000 and the works covered by this purchase order will be completed shortly. As described in the previous report to Cabinet on 14 November 2017 (see background paper), a further report was going to be presented for costs, with regards to Phase Two for completing our online offering and digital customer journey.

- 2.2 Phase One of the implementation is well underway, with the old forms converted to the new forms platform for all of the Phase One services and the team working on the systems integrations, automation of back office processes and customer services online interactions.
- 2.3 Since the November 2017 report to Cabinet, Firmstep has completed the detailed requirements-gathering, specification and scoping exercise which was commissioned under the Phase One contract. Following this exercise and discussions with the ICT Manager and service areas, the following additional investment, totalling £48,000, has been identified as necessary to develop a solution that best meets the current and future needs of the Council. This consists of :
- £7,000 for an appointment booking module which allows customers to book appointments online and for these appointments then to be scheduled and back office staff notified. The customer is also sent a notification of the booking. The module will initially be used for Environmental and Waste service customers. The investment can then be used for Phase Two and any other service which wishes to take up the appointment booking and scheduling of customer appointments functions.
 - £38,000 to complete the Environmental and Waste services integrations and online offering for customers. The scoping work and requirements specification highlighted additional requirements, integrations and business process re-engineering, for pest control and taxi licencing, gambling and alcohol, in order for those processes to be fully automated from a customer perspective into the backend system.
 - £3,000 for additional training for the team on the customer self-service portal setup
- 2.4 The total contract value for Phase One implementation will therefore be £145,000, which is above the £100,000 threshold which needs Cabinet approval. Cabinet is therefore asked to approve the variation to the Phase One delivery contract with Firmstep which was outlined in the report to Cabinet on 14 November 2017.
- 2.5 The additional funding for phase one will complete the Digital transformation of Environmental health and Waste services end to end. Customers will be able to access all Environmental and Waste services online 24/7, on the new internet website with backend integration to core systems, freeing up customer services staff to perform other urgent duties and attend to those in need. If the additional funding is not approved then we will only partially complete Phase One of the project, with very limited online capability and efficiency savings. This will also cause a delay to the launch of the new internet web site, as it is intrinsically dependent on the digital transformation project.

Phase Two

- 2.6 The costs for Phase Two of the project (and to complete the digital transformation project), which includes further system integrations and online offerings for the Revenues and Benefits Service, Housing service and self-service kiosks, is estimated to be between £155,000 and £180,000. This represents the planned budgetary costs, pending detailed

scoping, analysis and requirements gathering, and we are confident costs will not exceed this range.

- 2.7 It is recommended that Firmstep are retained for the delivery of Phase Two. This is on the basis that the Council has been operating Firmstep's platform for a number of years, and Firmstep have recent familiarity with the Council's processes and needs, having worked closely with the ICT and service areas on Phase One. Retaining Firmstep will promote the seamless integration of the Phase One and Phase Two solutions. Firmstep can be lawfully procured for the Phase Two contract using the G-Cloud Framework operated by the Crown Commercial Service (Cabinet Office).
- 2.8 The costs presented for Phase Two of between £155,000 and £180,000, have been determined by taking into account the requirements, scoping and the associated costs for Phase One, together with average costs from other councils who have implemented similar and bespoke Housing, Revenues and Benefits integrations with the Firmstep platforms. Phase Two will deliver the following :
- A fully digital online and mobile Council, where customers are able to request services 24/7, with up to date information. It will help move our operation from a traditional paper-based approach to an online enabled digital authority. Systems servicing customers across all Council departments will be integrated, to achieve efficiencies, increased productivity and cost savings.
 - CRM Integration into the new Housing system, so that customer services staff have only one system to access for housing information. This provides a linkage between the customer services portal and the new housing system.
 - Customer integrations into the Revenues and Benefits system, which is currently a stand-alone and manual process, with duplication of data and re-keying of benefit data into several systems. This will provide a one stop shop for customers, where they can seamlessly pass through into the Revenues and Benefits system via the Council's Firmstep platform. Customer services staff will be able to access one system for Revenues and Benefits, to achieve efficiency gains, saving time and enabling the redeployment of staff to deal with other urgent matters.
 - Implementation of self-service kiosks in the reception area, where customers will be able to "self-serve", scan documents directly into the back end of the system, without the need to see a customer services staff member.
 - Business process re-engineering of Housing and Revenues and Benefits services, to streamline the customer services process and provide online services. This integrates the Firmstep platform with the Revenues and Benefits system.
- 2.9 There will always be new advances in technology and new features being released and we will consider taking up those features provided they are of value to the Council, but they will be treated as business as usual costs going forward, similar to any other IT software package the council utilises. The completion of Phase One and Phase Two will see the digitisation of all key Council services, with an e-commerce platform for our customers to

transact 24/7. Staff will also be able to go out on site and complete electronic forms with customers using real-time data.

- 2.10 As the Housing Service and their residents will benefit from the Firmstep platform, it is appropriate that the Housing Revenue Account make a contribution to this project, which will be 51.5% of the (estimated maximum) £180,000 referred to in 2.8. The sum of £92,700 will therefore be taken as an in-year contribution from the HRA, and this will not impact on the HRA's ability to deliver its planned budgeted surplus of £142k in 2017/18.

3 PROJECT BENEFITS AND NEXT STEPS

- 3.1 Cabinet will recall from the November report that the primary benefit arising from the digital transformation project is that savings will be realised. The Society of IT Managers (SOCITM) compared the average costs of customer interactions as follows:

- Face to face interactions - £8.62
- Telephone interactions - £2.83
- Digital (online) interactions - £0.15

This means that 1,000 customer queries, requests or transactions in a month would cost approximately £8,620 for face to face meetings, £2,830 for telephone conversations and £150 to do online (see background paper for further information). Savings in staff time will also be quantified as the project is implemented.

- 3.2 Should Cabinet approve the recommendations set out in this report, the next steps are:

3.2.1 To progress Phase One to its completion including the additional investment set out above;

3.2.2 To enter into a contract with Firmstep through the G-Cloud Framework for the delivery of Phase Two; and

3.2.3 To progress Phase Two to its completion with a planned go live date of May 2019.

- 3.3 Delivery of Phase Two will represent project completion in terms of getting key services online and digitalised. There will always be advances in technology and any additional new features or upgrades may be embraced if the Council deem the requirement to be necessary. However, the application of any future enhancements will be deemed 'business as usual' rather than part of this project and will be budgeted for accordingly.